

ZAMBIA TRADE AND INVESTMENT ENHANCEMENT PROJECT (ZAMTIE)

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Sub-contractors:	Independent Management Consulting Services Ltd Aurora Associates International, Inc Cargill Technical Services JE Austin Associates, Inc

ZAMTIE ANNUAL REPORT (December 2002 through November 2003)

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ACRONYMS AND ABBREVIATIONS

ACC	Anti-Corruption Commission
ACP	Africa-Caribbean-Pacific
AGOA	African Growth and Opportunity Act
AMIZ	Association of Microfinance Institutions of Zambia
APBSB	African Partnership in Biotechnology: Strategies for Biotechnology
APHIS	Animal and Plant Health Inspection Service
AWIM	Association of Women in Mining
BF	Business Forum
BSO	Business Service Organization
CBC	Commonwealth Business Council
CCCI	Chipata Chamber of Commerce and Industry
CCZ	Construction Council of Zambia
CDBA	Chipata District Business Association
CET	Common External Tariff
CMZ	Chamber of Mines of Zambia
COMESA	Common Market of Eastern and Southern Africa
COP	Chief of Party
CPHST	Center for Plant Health Science and Technology
CSP	Country Strategy Paper
CTO	Cognizant Technical Officer
DBA	District Business Association
DFID	Department for International Development
DRC	Democratic Republic of the Congo
EBZ	Export Board of Zambia
EDF 9	European Development Fund 9
EMAZ	Emerald Miners Association of Zambia
EP	Eastern Province
EPA	Economic Partnership Agreement
EPCCI	Eastern Province Chamber of Commerce and Industry
ESA	Eastern and Southern Africa
EU	European Union
FAO	Food and Agricultural Organization
FIAS	Foreign Investment Advisory Service
FTA	Free Trade Area
GATS	General Agreement on Trade in Services
GMC	Genetically Modified Crops
HCAZ	Hotel and Caterers Association of Zambia
IESC	International Executive Service Corps
IT	Information Technology
KaCCI	Kabwe Chamber of Commerce and Industry

KCN	Konkola Copper Mines
KDBA	Kabwe District Business Association
LDC	Less Developed Country
LTA	Livingstone Tourism Association
MACO	Ministry of Agriculture and Cooperatives
MCT	Ministry of Communications and Transport
MCTI	Ministry of Commerce, Trade and Industry
MOFNP	Ministry of Finance and National Planning
MOHA	Ministry of Home Affairs
MOLA	Ministry of Legal Affairs
MOLSS	Ministry of Labour and Social Security
MMMD	Ministry of Mines and Mineral Development
MMTZ	Mozambique-Malawi-Tanzania-Zambia
MMTZ	Mozambique-Malawi-Tanzania-Zambia
MP	Member of Parliament
MSDP	Mining Sector Diversification Project
MWS	Ministry of Works and Supply
NBCA	National Business Chamber or Association
NTDB	National Tourism Development Board
OPPAZ	Organic Producers and Processors Association of Zambia
PBA	Provincial Business Association
PHRD	World Bank's Japanese grant facility
PQPS	Plant Quarantine and Phytosanitary Service
PRA	Pest Risk Assessment
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
RAPID	Regional Activity to Promote Integration through Dialogue
RCSA	Regional Center for Southern Africa
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAGC	Southern African Global Competitiveness
SI	Statutory Instrument
SEED	Support for Expansion of Exports and Diversification
SO1	USAID's strategic objective one
SPS	Sanitary phytosanitary
TAZ	Tobacco Association of Zambia
TCZ	Tourism Council of Zambia
TNF	Trade Negotiating Forum
TOR	Terms of Reference
TPZ	Textile Producers of Zambia
TTOAZ	Travel and Tour Operators Association of Zambia
TWG	Technical Working Group
US	United States
USAID	United States Agency for International Development
USDA	United States Department of Agriculture

USTR	US Trade Representative
UNDP	United Nations Development Program
WB	World Bank
WTO	World Trade Organisation
ZACCI	Zambia Chamber of Commerce and Industry
ZAM	Zambia Association of Manufacturers
ZAMTIE	Zambia Trade and Investment Enhancement
ZATAC	Zambia Agribusiness Technical Assistance Center
ZBF	Zambia Business Forum
ZCGA	Zambia Coffee Growers Association
ZCSMBA	Zambia Chamber of Small and Medium Business Associations
ZEGA	Zambia Export Growers Association
ZESCO	Zambia Electricity Supply Corporation
ZHECT	Zambia Health and Education Communication Trust
ZIBAC	Zambia International Business Advisory Council
ZIC	Zambia Investment Centre
ZIHP	Zambia Integrated Health Program
ZITF	Zambia International Trade Fair
ZNFU	Zambia National Farmers' Union
ZRA	Zambia Revenue Authority

INTRODUCTION

Nathan Associates Inc was awarded a contract in late 2000 to manage the United States Agency for International Development (USAID) project known as the Zambia Trade and Investment Enhancement Activity (ZAMTIE). To assist Nathan there are four sub-contractors – Independent Management Consulting Services Ltd; Aurora Associates International, Inc; Cargill Technical Services; and JE Austin Associates, Inc. The goal of the project, as its name suggests, is to stimulate trade and investment. In doing this it is believed that the project will assist USAID in achieving its strategic objective to increase rural incomes. Under its goal, ZAMTIE has three objectives. These are (1) to reduce barriers to trade and investment, (2) to build capacity in public and private sector organizations to facilitate economic growth and reduce poverty and (3) to foster linkages to optimise rural income-generating investment and trade opportunities between and among producers, suppliers, processors, traders, service providers, and consumers within and outside of Zambia. The project focuses on agriculture and agribusiness, natural resources and tourism.

This is the project's third annual report. It covers the period of 1 December 2002 through 30 November 2003.

PROJECT MANAGEMENT

The ZAMTIE activity is managed by a Chief of Party (COP), Dr Ron Black. Within USAID's Office for Economic Growth, headed by Ms Helen Gunther, Dr Black reports to the project's Cognizant Technical Officer (CTO), Mr Cris Muyunda, the Economic Growth Deputy Team Leader, under the Economic Growth (SO1) Team Leader, Mr Dann Griffiths. The Contracting Officer for ZAMTIE is Ms Gail Warshaw based at the USAID Regional Center for Southern Africa (RCSA) in Gaborone, Botswana.

The project has three additional senior staff positions – Ms Dorothy Tembo, Trade and Investment Adviser; Mr Chibembe Nyalugwe, Private Sector Development Specialist; and Dr Silane Mwenechanya, Business Forum Coordinator. They are responsible for activities in their respective areas for pursuing the project's three objectives – reducing barriers, building capacity and fostering linkages. In addition Mr Restone Chila, Accountant/Administrator, handles the project's financial and administrative matters; Ms Louise Shamasapo is an Assistant Accountant; Ms Beatrice Mwanamuchende, Executive Officer, manages the project office in addition to carrying out some information outreach activities; and Ms Chishimba Shikoki-Soko serves the project as a Research Assistant. Mr Sunday Chimbanka, Mr Stephen Mwakapandula and Ms Stella Mundia are respectively Driver/Orderly, Driver/Office Assistant and Office Assistant for the project. During the year, the project used the following consultants: Dr Lawrence Mukuka, district business association (DBA) management; Mr Michael Blakeley, exports to the USA; Ms Joy Chigogora, biotechnology; Mr Joop A de Voest, cotton through apparel industries; Mr Lance Graef, Vice President

Nathan Associates Inc on trade negotiations; Mr John Kasanga and Mr Mike Sikazwe on bank interest rates; Mr Geoffrey Mwale, exports to the Congo; Mr Lungowe Lutangu, exports to Angola, Council levies and website design; Professor Manenga Ndulo, financial services and the General Agreement on Trade in Services (GATS); Mr Chikakula Miti, Council levies; Mr Shuller Habeenzu on reform of the communications sector; Mr Gordon Murray, on taxes, the Government's annual budget and medium-term expenditure framework, and corporate responsibility; Ms Lisa Yarmoshuk, safeguard trade remedies; Mr Vernon Roningen and Dean DeRosa, trade simulation modelling; Ms Angela Curtis, on website design; Ms Lisa Alley, inter-country levies on commodity movement and trade statistics; Mr Zachary Noteman, business input costs; and Mr Carl Aaron on investment legislation.

HIGHLIGHTS OF PROJECT ACTIVITIES

At the inception of the project, USAID agreed with ZAMTIE that the probability of obtaining desired projects results would be enhanced if the project were demand driven. This – client demand – has subsequently been the driving force shaping the project. During the third year, this approach has continued to lead to successes. Some of the highlights were:

- ZAMTIE assisted the government in preparing and obtaining approval for an upward revision of the quota allocations under the special Southern African Development Community (SADC)-Southern African Customs Union (SACU)/Mozambique-Malawi-Tanzania-Zambia (MMTZ) arrangement on textiles and clothing. Once fully implemented, it will yield total export earnings amounting to over US \$ 5,300,000 per annum in the export of yarn, towelling and blankets.
- The Government of Zambia enacted safeguard legislation in late 2002. However, the law could not be effected due to lack of subsidiary laws and procedures required to effect it. This was in addition to some omissions and flaws in the main legislative *Acts*. ZAMTIE provided an advisor to assist Government with resolving all these issues in addition to enhancing capacity for understanding the interpretation and application of trade remedy measures in general and safeguards in particular. Draft amendments to the *Acts* and regulations have been concluded and are now awaiting circulation to Cabinet and other government institutions prior to Parliament's approval during the January 2004 sitting.
- Support was provided to the Government in its preparation for the WTO negotiations in services. Assessments of the telecommunication and financial sectors were completed and used as a basis for discussion in the National Working Group, which is in the process of coming up with recommendations on initial requests and offers to other WTO members that Zambia could consider making. In collaboration with Department for International Development (DFID), ZAMTIE

secured additional resources for further assessment work in the transport sector.

- The project provided – and is continuing to provide – support towards enhancing public/private dialogue. ZAMTIE facilitated the initial meeting of the Agricultural Trade Forum in July 2003, an initiative of the Zambia National Farmers Union to engage government on agricultural trade issues. Through this Forum, farmers and agrobased businesses engaged government in the preparatory process and provided input into the national position on agriculture for the WTO Ministerial meeting which was held in Cancun Mexico in September 2003. ZAMTIE serves as the Forum Secretariat.
- The year saw heightened activities under the Africa Growth and Opportunity Act (AGOA) including: a bilateral meeting between the Governments of the Republic of Zambia and the United States of America, during the AGOA Forum II in Mauritius. The bilateral discussed issues regarding barriers to the export of Zambian goods into the US under AGOA. Measurable progress with regards to AGOA in this period, that the ZAMTIE project was closely involved with, include: the completion of pest lists of five horticultural products in anticipation of their eventual access into the US Market, the establishment of a National Export Crop Committee coordinated by ZAMTIE, the approval in September of Zambia's visa to export products under Category 9¹, and the export, beginning in August, of the first regular (monthly) consignment of bulk Zambian manufactured garments into the US.
- USAID, through ZAMTIE, and the European Union (EU), through the Private Sector Development Programme, collaborated to host five national sectoral workshops for private sector business associations. The objective of these workshops was to develop a framework for the utilisation of approximately 20 million Euros provided in the EU/Zambia Country Strategy Paper for the 9th European Development Fund (EDF) and earmarked for public/private dialogue activities by the private sector, through to 2007.
- Eastern Province Chamber of Commerce and Industry (EPCCI) requested ZAMTIE for technical support in developing a business plan for the Eastern Province. This was completed in October 2003 and subsequent roundtables and meetings have been held to explore ways of implementing the plan. Also at EPCCI's request, scopes of work for (1) a capacity building programme for EPCCI and (2) an HIV/AIDS programme for businesses in the province are being developed.
- ZAMTIE in collaboration with regulators, champions and leading organisations in the Zambian capital markets sector, established a Capital Markets Cluster. The aim of the Cluster is to develop a long-

¹ Hand loomed fabric and hand made articles made from such hand loomed fabric

term vision and plan for capital markets development in Zambia. A deepened capital market will provide alternative investment opportunities and sources of financing. The Cluster, which will also provide a common entry point for development agencies and donors wishing to support capital market development in Zambia, is coordinated by ZAMTIE.

- The year witnessed institutionalization of the Zambia Business Forum (ZBF) into a significant private sector intermediary on issues of common interest to business. It is working closely with the Head of State, his International Business Advisory Council, the Government, Parliament and Donors. During the period under review, The ZBF was registered under provisions of the Registrar of Societies Act. It also extended its membership to the Zambia Chambers of Small and Medium Business Associations (ZCSMBA) the Zambia Indigenous Business Association (ZIBA) and the Zambia Federation of Employers (ZFE). It is currently negotiating the inclusion of the Bankers Association of Zambia. Thus, it now embraces practically all major private sector business associations. Toward the end of the year, at an informal donors meeting, approximately \$500,000 was committed to continuing the Forum over the next two years.
- During the year, Government and the Bank of Zambia accepted the proposal by the Zambia Business Forum to use a Voluntary Code of Conduct as a self-regulating instrument for arresting the growing dollarisation of the economy. The potential damage to the economy which was apprehended if Government had gone ahead with introducing heavy statutory penalties and the prohibition of all domestic transactions in currencies other than the Kwacha has been forestalled. In his annual budget speech, the Minister of Finance and National Planning (MOFNP) pointed to this as a model for how the public and private sectors should work together.
- Through intermediation efforts of the Zambia Business Forum, the imminent legislation of amendment proposals to the Zambia *Investment Act* was halted to enable meaningful and broadly-based consultation with the private sector. In a growing negative environment against foreign direct investment (FDI), the emergence of a positive pro-investment consensus is emerging and gathering momentum. A holistic approach to promotion and marketing of investments is hopefully emerging. At least, a damaging piece of anti-investment legislation has been sidelined.
- The Zambia Business Forum has developed positive and constructive collaboration with the Zambia Revenue Authority (ZRA). Notable among the positive outcomes of the relationship was the introduction of an improved VAT and other tax refund scheme based at the Bank of Zambia. It involves the ring fencing of the money earmarked for verified VAT and other tax refunds in a given month while the new

scheme is sound, implementation bottlenecks have emerged which are being addressed.

REDUCING BARRIERS TO TRADE AND INVESTMENT

Demand for ZAMTIE support in response to emerging trade and investment problems, opportunities and issues grew throughout the year. The project contributed to an increase in dialogue between the public and private sectors. Table 1 provides a list of issues, ZAMTIE responses and results to date.

Table 1. ZAMTIE's Response to Trade and Investment Problems, Opportunities and Issues and Concomitant Results

Problems/ Opportunities/Issues	ZAMTIE Response	Results
With safeguards legislation passed by Parliament and signed by the President, the Ministry of Commerce, Trade and Industry (MCTI) was faced with the challenge of ensuring the implementation of safeguards provisions in the Acts and initiation of first cases as identified by the private sector	ZAMTIE facilitated the engagement of a legal expert to assist MCTI	<p>Once the consultant commenced work, it was discovered that the existing safeguard legislation had some flaws which needed to be addressed prior to proceeding with the specific support that MCTI had requested relating to training of both public/private sectors, and the establishment of a mechanism to facilitate investigation and initiation of first cases. By the end of the reporting period, the following had been achieved:</p> <p>1) Proposed amendments to the current safeguards provisions of the <i>Control of Goods and Customs and Excise Acts</i> had been drafted.</p> <p>2) Regulations to facilitate implementation of the</p>

		<p>Acts had been drafted.</p> <p>3) An investigative team and mechanism for facilitating investigations had been established</p> <p>4) Training had been provided for both an investigative team and the private sector through a three-week course for the investigative team and awareness workshops on the nature and application of safeguards for the private sector.</p>
Proposed Zambia/Mozambique bilateral trade agreement	The project continued providing support to MCTI in the preparation for a bilateral meeting with Government of Mozambique officials to negotiate the proposed bilateral agreement.	The private sector, from Eastern Province, through ZAMTIE efforts, has engaged government on the agreement. ZAMTIE has commissioned a study on products supplied to Mozambique by Zimbabwe in addition to continuing to support MCTI with analytical work relating to this agreement.
Zambia/DRC proposed bilateral trade agreement	ZAMTIE is providing technical assistance in the analysis and identification of products with export potential in the DRC market in addition to assisting both government and the private sector with technical briefs to facilitate representation at political levels.	<p>Through a Liaison Office, facilitated by ZAMTIE, the Congolese Government in Kinshasha has now indicated its willingness to meet their Zambian counterparts. A date is yet to be set.</p> <p>Through a brief provided by ZAMTIE, which outlined the</p>

		benefit of this Agreement to Zambia, the Business Forum was able to engage Government at the highest political level to create awareness on the urgent need of concluding this agreement.
Zambia/DRC trade	ZAMTIE is providing support to the private sector to improve its access into the Congolese market	ZAMTIE participated in and provided support to a trade mission to Lubumbashi in collaboration with the International Executive Service Corps (IESC) program called Copperlink. ZAMTIE continues to prompt the private and public sectors on the construction of a modern warehouse at Kasumbalesa for storage of Zambian goods destined for the Congolese market.
Limited information about market opportunities, customs and immigration regulations and procedures, and general information for business persons including: accommodation, communications, financial services, etc, in the DRC	ZAMTIE commissioned the production of a hand-book entitled <i>Guide for Doing Business in the Democratic Republic of Congo</i> ²	In September 2003, ZAMTIE commenced distribution of the handbook to Government ministries and quasi government institutions, private sector associations, businesses and donor agencies.
Logistical, research, analysis and general business support to	ZAMTIE is working with the Liaison Office in Lubumbashi	An initial proposal was received and will be reviewed in partnership

² Lubumbashi Liaison Office, *Guide for Doing Business in the Democratic Republic of Congo*, ZAMTIE, September 2003.

<p>Zambians seeking to, or already conducting business in the DRC</p>	<p>to institutionalize and improve its capacity.</p>	<p>with EBZ and EDP II. The Liaison Office proposal includes rental of facilities that will include offices, product show room, and meeting/conference rooms (for Zambian business delegations to hire. The proposal will also include improved research and data analysis capacity at the Liaison Office on a full time basis.</p>
<p>SADC Trade Sector meetings and Trade Protocol negotiations</p>	<p>The project provided technical support in the preparatory meetings and participated in the SADC Trade Sector meetings and negotiations.</p>	<p>The ZAMTIE support resulted in a national negotiating position for the March 2003 Cape Town meeting, the special Trade Negotiating Forum (TNF) meeting held in Gaborone in May 2003, the special Trade Ministers meeting held in June 2003 in Lusaka and the TNF and Trade Ministers meeting held in Blantyre in November 2003.</p> <p>This led to a tentative agreement on an increased quota allocation for MMTZ countries by SACU in the special arrangement on textiles and clothing. Once implemented, it will yield export earnings in excess of US \$5,300,600 for Zambia.</p> <p>It has also resulted in discussions on the</p>

		<p>EU/ACP negotiations. In particular the Economic Partnership Agreement (EPA) configuration. ZAMTIE has conducted two studies aimed at assisting Zambia in determining the best option for the configuration^{3 4}.</p> <p>Finally, the effort built negotiating skills capacity for the MCTI, MOFNP and ZRA staffs.</p>
COMESA Trade Sector meetings and negotiations	The project provided technical support in preparatory meetings and participated in the COMESA Trade Sector meetings and negotiations.	<p>This support resulted in national positions on various issues such as the negotiations on a common external tariff, a COMESA Customs Union and a Common Tariff Nomenclature.</p> <p>It resulted in discussions of the EU/Africa-Caribbean-Pacific (ACP) negotiating guidelines. This is in addition to facilitating further assessment of an Eastern and Southern Africa (ESA) EPA configuration as had been decided by the Heads of State at their Summit of October 2002. ZAMTIE has conducted an assessment study in this regard.</p> <p>The project transferred</p>

³ Vernon O Roninggen and Dean A DeRosa, *Zambia in Regional and Extra-Regional Free Trade Agreements: Estimates of the Trade and Welfare Impacts*, ZAMTIE, October 2003.

⁴ Shuller Habeenzu, *Harmonizing Regional Cooperation in Telecommunications Sector: SADC or COMESA?*, ZAMTIE, November 2003.

		capacity building skills to the MCTI, MOFNP and ZRA staffs.
Public/private sector dialogue – Agricultural Trade Forum (ATF)	As part of ZAMTIE's continued efforts to enhance public/private sector dialogue, the project assisted with the formation of the ATF. Its first meeting occurred in July 2003.	At the first meeting of the ATF, terms of reference for the Forum were agreed to by all parties. ZAMTIE was requested, and agreed, to act as interim Secretariat of the ATF. The Forum and Government established a subcommittee to provide input on agricultural issues into the national position for the Cancun Ministerial meeting in September 2003.
Farmers as well as other commodity producers have in recent times experienced difficulties with an increase in the number and level of levies imposed by Council authorities.	The business community spearheaded by ZNFU and Zambia Association of Manufacturers (ZAM) requested ZAMTIE to facilitate a study to be used as the basis for engaging government.	A desk study of the position of other countries on putting levies on internal trade has been completed ⁵ and is currently under consideration by the farmers and ZAM, while a Zambian impact study is underway.
World Trade Organization – Trade in Services Negotiations. There has been a serious lack of capacity in preparation for these negotiations, which commenced in 2000.	The project in conjunction with UNCTAD facilitated the First National Workshop on Services, which brought together all relevant stakeholders. This resulted in the establishment of a National Working Group (NWG) which through MCTI sought	NWG's first meeting was held in January 2003 and established a Technical Working Group to (1) examine current levels of liberalization, (2) identify priority sectors for Zambia and (3) make recommendations on possible responses and requests to other WTO members.

⁵ Lisa K Alley, *Levies and Their Effects on Domestic Trade*, ZAMTIE, August 2003.

	support for an assessment study in telecommunication and financial services.	<p>ZAMTIE engaged two consultants to assess the telecommunication and financial services sectors. Their study has been completed and used as basis for engaging the stakeholders and the NWG in roundtable meetings. An initial Zambian position with regard to the nature of Zambia's responses and requests have resulted from these meetings.</p> <p>As a result of discussions that ZAMTIE has held with the UK Department for International Development (DFID) and the Business Forum, arrangements have been made for DFID to supply an additional consultant in the transport services area, through the ZBF, as well as to join with ZAMTIE in providing for travel costs associated with negotiations on services.</p>
The need for telecommunication sector reform	While supporting MCTI with regard to its position on telecommunications services, it became clear that this was a strategic sector that Zambia needed to develop and that such development	The study, <i>Telecommunications Sector Reform</i> ⁶ , was completed and distributed just as the year closed.

⁶ Shuller Habeenzu, *Telecommunications Sector Reform*, ZAMTIE, November 2003.

	was being inhibited by current policies. This led ZAMTIE to commissioning a study of needed reforms to spur the sector to rapid growth.	
World Trade Organization, Ministerial Meetings- September 2003, Cancun, Mexico	The project provided technical support in the preparatory and Ministerial Meetings.	The support resulted in a national negotiating position for Zambia. It also increased negotiating skills capacity in both Government and the private sector.
<p>Opportunities for export of Zambian goods into the US market, under AGOA</p> <p>1. Access of Zambian fresh agricultural produce into the US market continues to face difficult non-tariff barriers. Of particular concern are pest risk assessments (PRAs) approvals by the US authorities.</p>	<p>Since Zambia's general AGOA Visa approval, ZAMTIE has continued to provide support to the public/private sector on issues related to accessing the US market</p> <p>ZAMTIE continued to raise the flag on this issue, through the US Mission in Zambia, USAID, supporting exporters of horticultural produce to attend events where the issue of PRA's can be effectively raised,</p>	<p>AGOA continues to be prominently featured in the trade arrangements for Zambia and issues relating to opportunities under this facility continue to be addressed. Specific activities are outlined below.</p> <p>An AHPIS PRA expert has been assigned to the Southern African Region, based in Botswana. Fifty percent of his time is to be spent in Zambia or on Zambia PRA's.</p> <p>Another APHIS PRA expert was stationed in</p>

⁷ Chibembe Nyalugwe, *Report on Zamtie's Support to the Ministry of Commerce, Trade and Industry and the Private Sector for Participation in the AGOA Forum II*, ZAMTIE, February 2003.

⁸ Joop A de Voest, *Extension of Time for Imports of Textiles from outside the AGOA Region*, ZAMTIE, December 2002.

⁹ Joop A de Voest, *Background Information on Effects of Extending and Not Extending the September 2004 Deadline for Less Developed AGOA Qualified Countries to Be Able to Import Fabric from Outside the AGOA Region and Still be Qualified to Export to the USA Under AGOA*, ZAMTIE, March 2003.

¹⁰ ZAMTIE, *Impact of AGOA Extending LDC Fabric Import Privileges beyond 2004*. ZAMTIE, March 2003.

	including the US Congress, the AGOA Forum II in Mauritius and direct communication with the US Animal and Plant Health Inspection Service (APHIS).	Zambia for seven weeks during which he worked on pest lists and assisted Zambian scientists to build capacity for conducting PRA's. As at end of the year under report, five new pest lists had been completed and were at various stages of either internal review or mitigation.
2. AGOA Forum II and US/Zambia Government Bilateral Meeting	In response to a request from the Ministry of Commerce, Trade and Industry, ZAMTIE provided logistical and technical support to the public/private delegation from Zambia that participated in the Forum ⁷ .	Zambia raised issues during the Bilateral Meeting, including: the lack of progress (then) of PRA's, the approval of Zambian products under Category 9 and the extension of time for the rule allowing LDC's to import fabric outside AGOA eligible countries.
3. AGOA provides for eligible LDC classified countries to import fabric for use in garment production from anywhere in the world. It is argued that while this stimulates garment production, it is a disincentive for textile investment, which is longer term; higher technology and human resource skills and less of a "transitional" investment.	ZAMTIE commissioned two consultant reports on the same ^{8 9} . These reports were later expanded to include various options as a compromise with those advocating a straight time extension, which leaves uncertainty in the minds of potential textile investors as to whether investments in Africa will ever be required ¹⁰ .	ZAMTIE has widely circulated its study, resulting in communication to the US Trade Representative's (USTR's) Office from the US Ambassador to Zambia; letters from the Minister of Commerce, Trade and Industry to USTR; ZAMTIE distribution of the study to the Secretary General of COMESA and visiting US Congresswomen; etc. Zambia has also formally requested an opportunity to raise this

<p>4. Lack of a visa allowing export of Category 9 products into the US</p> <p>5. Request from the Ministry of Commerce, Trade and Industry to improve Zambia's capacity to export by providing technical support for exports of handicrafts and Category 9 products into the US</p> <p>6. Participating in AGOA Forum III – 8-10 December 2003, Washington DC, for the purposes of advocating for certain Zambian positions vis-à-vis AGOA, deepening Zambian stakeholders understanding about the US market and</p>	<p>Under AGOA, a special visa is required for export of Category 9 products. ZAMTIE followed up the submission for a visa, made by the Zambian Government to the US Department of Commerce in June 2002</p> <p>ZAMTIE has agreed to provide support in this category</p> <p>ZAMTIE is a member of the national organising committee for AGOA III and will contribute to preparation of Zambia's position during the Ministerial Forum and the private sector workshops. ZAMTIE will also provide sponsorship for five</p>	<p>issue during the AGOA III Ministerial Forum and private sector workshops in Washington in late 2003. The organizers have provided a workshop slot for this issue to be discussed by a ZAMTIE sponsored participant.</p> <p>Federal Register Doc 03-19062 was filed and published on July 28, 2003. It allows Category 9 products as certified by the Zambian government duty free access into the US.</p> <p>Support of a crafts design and quality control expert to attend the AGOA Forum III. Development of a framework for support to selected producers and the sector over a six-month period ending May 2004.</p> <p>On going</p>
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issues related to AGOA, providing an opportunity for business linkages.	participants.	
Strengthening Zambia's Plant Quarantine and Phytosanitary Service (PQPS), to reduce the risk of importing potential exotic insect pests and diseases and improve opportunities for export of horticultural and floricultural products through proper inspection of exports prior to issuance of health certificate	ZAMTIE agreed to a request from the Ministry of Agriculture and Cooperatives (MACO) to sit on the newly established PQPS National Steering Committee established to assist in the sustainable implementation and guidance of activities in this field.	A TOR and a one-year work programme funded by FAO have been agreed upon. ZAMTIE's focus will be advocating for the establishment of a regional centre of excellence for PRA's in Zambia providing training, laboratory facilities and a depository for regional information (especially pest lists). The second area of focus will be training and capacity building for local scientists and technicians through instruments such as Cochran Fellowships, and the USAID-Israeli Training Program.
Zambia lacks a coordinated drive to develop her capacity to export fresh horticultural products.	A National Export Crop Committee was formed with key stakeholders. ¹¹	The Technical Committee under the Export Crop Committee worked closely with the APHIS staff in developing the five completed pest lists. Further, a work plan and budget have been developed to include scientific equipment, training, operational costs, etc. ZAMTIE is working with USAID and the APHIS expert in Botswana to secure funding.

¹¹ Representation from: Mount Makulu Research Station, under the Ministry of Agriculture and Cooperatives; the Ministry of Commerce, Trade & Industry; the University of Zambia School of Agricultural Sciences; the Environmental Council of Zambia; the Export Board of Zambia; and the Zambia Export Growers Association.

<p>Lack of legal infrastructure, capacity and support for biotechnology's potential</p>	<p>Following the return of the team of Zambian scientists and officials, sponsored by ZAMTIE to visit the US and South Africa to aid them in assessing the risks associated with the consumption of genetically modified (GM) food, the preparation of their report recommending against the Government accepting a proffered US gift of GM maize, and the Government's decline of the US' offered gift, ZAMTIE commissioned a review of the Zambian team's report by a former acting director of the Zimbabwe Biotechnology Research Institute¹². ZAMTIE also supported a number of other capacity building trips and programs. These are described in this report's following section on capacity building.</p>	<p>The review report believed that in face of the potential famine facing Zambia, the risks which led to declining the US gift were minimal and could have relatively easily been assessed.</p> <p>The Ministry of Science, Technology and Vocational Training – the ministry with the lead on biotechnology – requested ZAMTIE's assistance with (1) harmonization of the draft biotechnology-biosafety legislation with other existing food, drug, crop and environmental legislations, (2) help with the establishment of a biotechnology and biosafety desk office in the National Science and Technology Council pending the establishment of the National Biotechnology and Biosafety Authority, (3) sponsor high-level decision-makers to attend a policy course at Harvard University and (4) support tissue culture development. The project has agreed to provide the requested support.</p>
<p>The Eastern Province Chamber of Commerce</p>	<p>A team of consultants was</p>	<p>A report was completed and</p>

¹² JL Chigogora, *Review of the Recommendation by Zambian Scientists on Genetically Modified (GM) Maize Donated to the Government of Zambia*, ZAMTIE, January 2003.

and Industry requested ZAMTIE support in the development of a business plan for the Eastern Province, which would provide a road map for investment priorities and opportunities.	identified and spent several weeks meeting business and community leaders, and government officials to discuss business opportunities and barriers to trade and investment.	presented to provincial stakeholders ¹³ . This led to business and investment task forces being set up in each district and at the provincial level. The task forces are headed by the private sector with senior government and local council representation. ZAMTIE is continuing to provide technical support and business linkages for specific opportunities/barriers identified.
Effect of Council levies on trade. Since the liberalisation of the economy and an attempt at rationalising government expenditure, local authorities (District Councils) have experienced significant (even crippling) withdrawals in Government grants to their operations. In mitigation, Government has introduced legislation empowering local authorities to raise income through application of various levies. The arbitrary creation and application of levies on the movement of commodities into and out of Council jurisdictions has adversely affected trade	Together with the Zambia Association of Manufacturers and the Zambia National Farmers Union, ZAMTIE commissioned a study, identifying levies, evaluating the consultative process in arriving at levies and evaluating the impact of the levies in three District Councils in Zambia. In addition, ZAMTIE had a desk study conducted of how other countries have treated the internal flow of trade within national boundaries.	The desk study has been completed and the impact study is nearing completion. After the impact study is completed, a meeting will be called between private sector stakeholders and the Ministers for Local Government and Housing and for Commerce, Trade and Industry to discuss the issues raised in the both reports.

¹³ Martin Webber, Chibembe Nyalugwe and Marcos Arocha, *Business Development Opportunities Assessment and Plan for Eastern Province*, ZAMTIE, November 2003.

and business.		
The below-par performance of the Lusaka Stock Exchange in the last ten years and the poor development of the securities market generally has had a negative effect on available investment instruments and liquidity for investment in the country.	ZAMTIE, working with private sector champions and government regulators, established a Capital Markets Cluster with a view to developing a long-term vision for the development of the capital market and a framework for achieving the vision.	The Cluster has reviewed major complimentary initiatives over the last ten years, and has received interest in participation from other cooperating partners intending to support Zambia's financial sector development. Most notably, the Central Bank has requested that the outputs from the framework development under the Cluster be fed into the National Financial Sector Development Plan, currently underway and being coordinated by the Bank.
Insufficient focus on and support to the export of services	In collaboration with the Export Board of Zambia (EBZ), ZAMTIE shall support moves by the services sector, through stakeholders like the Zambia Business Forum, the Professional Services Centre and others, to develop an agenda for the promotion of exports of services.	The Business Forum included a proposal in its 2004 Budget Submission that service exports be taxed at the same rates as product exports.
Alternative intermediate market for fresh Zambian horticultural exports into North America, in view of protracted delays in conducting PRA's needed to export fresh Zambian crops into the US.	ZAMTIE held discussions with EBZ to see how the Canadian Market Access Initiative for Least Developed Countries could be of benefit to Zambia. ZAMTIE has contacted the	On going

	Canadian High Commission in Zambia to obtain clearer understanding of programmes available under the Trade Facilitation Office of Canada to provide technical assistance to the private sector under the Canadian initiative.	
Need for policy and legislative reform to facilitate the invigoration of Zambia's gemstone mining and processing sector	The ZAMTIE - sponsored report ¹⁴ on the invigoration of the gemstone mining sector provided the major input into the National Economic Diversification Workplan for the gemstone sector both in terms of the production and marketing strategy.	The recommendations made in the report are now being actively examined for implementation by both EU-funded Mining Sector Diversification Project and the World Bank Support for Expansion of Exports and Diversification (SEED) Project.
Short term tax issues identified through the Business Forum	ZAMTIE, through the Zambia Business Forum, has evolved a strong collaborative link with the Zambia Revenue Authority, which is yielding important gains. For the 2004 Budget, 12 cross-cutting tax issues of concern were identified for submission to the Tax Policy Review Committee. For the 2003 Budget, 35 issues were tabled. With ZAMTIE's	Consolidation of improvements made to the refund scheme for VAT and other taxes has continued. The broadening of the tax base, as encouraged by the Forum, was initiated with the inclusion of a presumptive tax for minibus operators. The provision of tax relief for all business expenses was accepted in principle and in the 2003 Budget, foreign exchange losses on

¹⁴ SK Mwenechanya, *Strategic Reforms for Invigorating the Gemstone Mining Sector in Zambia*, ZAMTIE, December 2002.

	<p>facilitation, tax issues have become part of the permanent agenda in the Forum's consultations with the Head of State, Ministry of Finance and National Planning, Donors and relevant Parliamentary Committees.</p>	<p>capital loans for construction projects was included as a tax allowable expense. The Zambia Business Forum expects that the foreign exchange loss provision will be further extended to other business.</p>
Long term tax reform	<p>The ZAMTIE facilitated TOR for long-term tax reform were adopted by Government during the year and generally enjoyed acceptance by donor agencies.</p>	<p>Government has succeeded in obtaining technical and funding assistance for implementing tax reform partially based on the TOR articulated with the assistance of ZAMTIE. DFID, the UK Government's Department for International Development, being one source of such support.</p>
<p>Macro-economic stabilization constraints identified by the Business Forum were:</p> <p>1. Excessively high interest rates and high inflation</p>	<p>With the facilitation of ZAMTIE, a series of versions of an interest rate reports have been produced and, based on these, the Zambia Business Forum has actively pursued multi-stakeholder consultations involving the Ministry of Finance and National Planning, the Bank of Zambia, commercial banks</p>	<p>Recently the Bank of Zambia has reduced the statutory reserve from 17.5% to 14%. A measure which has resulted in modest decrease in the base lending rate. This was a recommendation of the ZAMTIE interest rates report and one that was stressed at the Zambia Business Forum roundtable.</p>

	<p>and the business community in an effort to develop strategies for reducing base lending rates to commercially sustainable levels. One multi-stakeholder roundtable was held during the year and another is being planned, as a result of a new version of the ZAMTIE interest rates study¹⁵, to agree on steps that can accelerate the reduction of interest rates in the light of the new report's recommendations and other studies by stakeholder institutions such as the Bank of Zambia.</p>	
<p>2. Excessive public sector borrowing from local banks is the major cause of high bank interest rates. The debt serving domestic borrowing is in excess of the service on the country's foreign debt.</p>	<p>Through the continuing facilitation by ZAMTIE, the Zambia Business Forum is working to establish a joint ad hoc committee with the Government on dismantling the domestic debt. A TOR is being developed to engage an international consultant specialized in debt management.</p>	<p>No tangible results have been achieved towards the resolution of this intractable problem. The Government has seriously overshot its 2003 Budget target of limiting public sector borrowing to 1.55% of GDP. The Zambia Business Forum will be working with the Government in monitoring compliance with the revised borrowing limit of 2.1% planned for 2004. Significant reduction of</p>

¹⁵ IMCS, *Review of Factors Affecting Levels of Interest Rates in Zambia*, ZAMTIE, November 2003.

		public sector borrowing holds the key to improved macro-economic performance.
Voluntary compliance with measures to arrest the dollarisation of the economy	With the assistance of ZAMTIE and acceptance by Government of the use of the <i>Voluntary Code of Conduct</i> containing guidelines on compliance with measures to arrest the dollarisation of the economy, the Zambia Business Forum widely circulated the <i>Voluntary Code of Conduct</i> . Meetings were subsequently held with a number of companies in efforts to strengthen compliance.	The concerns by Government regarding the growing dollarisation of the economy and the fears of private sector businesses that the Government was planning to re-introduce foreign exchange controls have both been effectively arrested through the wide adoption of the <i>Voluntary Code of Conduct</i> by the business community. Prior to reaching this agreement, there was speculation that massive amounts of foreign exchange were moving out of the country. The Minister of Finance and National Planning, in his 2003 Budget Speech, called this a model for public-private sector cooperation.
The Forum identified a proposed amendment to the <i>Zambia Investment Act</i> as a potential disincentive for investment.	With the facilitation of ZAMTIE, a number of initiatives were completed during the year: At the request of MCTI, two multi-stakeholder workshops were held – one on the	The Public/Private Sector Committee on the Amendment of the Investment Act, Chaired by a ZAMTIE staff member, has produced a set of draft recommendations which are being used as a basis for consulting various

	<p>Copperbelt and the second in Lusaka – designed to receive inputs from stakeholders with regard to the proposals to amend the <i>Investment Act</i>¹⁶.</p> <p>Inputs from the World Bank through a study on investment barriers and business climate, with which ZBF has been playing a supporting role, have been received. Inputs from an investment consultant from Nathan Associates have also been received¹⁷.</p> <p>International business advisors constituted as the Zambia International Business Advisory Council (ZIBAC) have offered their advice on best international practice.</p> <p>A roundtable meeting with the Minister for Commerce, Trade and Industry; Members of all Parliamentary Committee Chairpersons and the Coordinator for the Business Forum consulted on the new <i>Amendment</i>.</p>	<p>stakeholders. Although, there is a growing consensus that the Zambia Investment Centre should primarily act as a promotional agency, there is also considerable additional work required to reconcile this vision with other interests that wish to use the <i>Amendment</i> as a mechanism for providing the Zambia Investment Centre a regulatory and policing function. Some of the specific undesired proposals provide for regulatory requirements associated with the administration of investment certificates, compulsory registration, reservation of business sectors for exclusive Zambian participation, etc. The process requires additional in-depth consultation before a successful conclusion can be reached.</p> <p>Encouragingly, most stakeholders seem to be beginning to move in the right direction.</p>
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¹⁶ Zambia Investment Centre, *Report on the Investment Act Amendment Consultative Workshops*, Organized by ZIC and ZAMTIE, May 2003.

¹⁷ Carl Aaron, *Advisory Brief on Proposed Amendments to Zambia's Investment Act*. ZAMTIE, October 2003.

Safeguard Legislation

During the current year ZAMTIE continued to provide support to MCTI to facilitate the implementation of the safeguards provisions in the *Control of Goods and Customs and Excise Acts* which were passed in late 2002. ZAMTIE at the request of MCTI provided a legal expert to assist the Ministry with the following:

- Proposal for an appropriate mechanism to facilitate investigations and initiation of cases
- Drafting of procedures/ regulations to facilitate implementation of the safeguards legislation
- Capacity building for what was then called the “Safeguard Investigation Authority” as provided in the approved *Acts*.

However, upon arrival, the consultant found some fundamental flaws with the approved safeguards provisions in the *Acts*, which (1) showed inconsistencies with Zambia’s international obligations and (2) had not provided for use of any other form of safeguard mechanisms other than that of WTO. There were also issues of (1) possible conflict of interest of the team tasked with the responsibility of conducting the investigations since it included representative from both public and private sectors and (2) the feasibility of this group to undertake investigations.

In view of the above, it became apparent that these flaws needed addressing before considering other terms of reference agreed to with the Ministry. This work demanded revisiting the *Acts* and making recommendations for amendments.

By the end of the year, the following had been achieved:

- Drafts of proposed amendments to the current Safeguards Acts, which consist of provisions within the *Control of Goods Act* and the *Customs and Excise Act*
- A draft of the procedures and regulations to facilitate implementation of the Amended Acts once approved by Parliament, currently targeted for January 2004 sitting
- Fifteen trained members of the Core Investigative Team comprised of staff from the Ministry of Commerce, Trade and Industry; the Ministry of Finance and National Planning; and the Zambia Revenue Authority
- Two awareness workshops conducted for the private sector in Lusaka and on the Copperbelt, which covered the nature and application of safeguard measures

Zambia/Mozambique and Zambia/DRC Proposed Bilateral Trade Agreements

In the current year, the project has continued in its efforts of assisting MCTI with exploring other avenues that could provide opportunities for enhanced market access for Zambian products through bilateral arrangements in addition to the efforts being made at multilateral and regional levels.

In this regard, the project has continued providing technical support in the preparations for the bilateral discussions with Mozambique and facilitated the inclusion of the Eastern Province businesses in the consultative process.

With the DRC, the project continued providing technical assistance in the analysis and reviewing of products of export interest to Zambia in the DRC market. Additionally through a brief prepared by ZAMTIE, the private sector is now lobbying Government at the highest political level to create awareness on the urgent need for Government to conclude this Agreement.

Zambia-Congo DR Trade

The Congo continues to be Zambia's largest trading partner for exports of Zambian goods and services. It therefore continues to receive keen interest from the private sector for support in addressing issues impeding increased trade. In view of this interest, ZAMTIE continues to support activities targeting exports of Zambian goods and services into the Congo. Accordingly, ZAMTIE completed and began distribution of *The Guide for Doing Business in the Democratic Republic of Congo*. This year ZAMTIE participated in and supported yet another trade mission along with EBZ and the International Executive Service Corp (IESC) Copperlink project. The five-day mission revealed the following:

- Border formalities remain dependant on the mood of officials administering the border. For example, the tourist fee, officially pegged at US\$ 20 was pegged at US\$ 5 on the day of our crossing. No receipt could be obtained despite several requests.
- Zambian cement has grown from an “underdog” (projected at a 10-20 percent market share) to Zimbabwean produced cement, to being the current market leader (at 80-90 percent of the market), despite the continued competition from cheaper Zimbabwean cement. A survey revealed that consistent product quality improvement and an aggressive marketing strategy have caused this coup d'état.
- Zambian companies that have established offices in Lubumbashi include: Hybrid Poultry Farms Ltd, Discount Steel and Zambeef.
- Many Congolese based businesses prefer to purchase Zambian goods in Zambia and transport them across the border in their name, rather than receive Zambian goods in Lubumbashi from a Zambian exporter.

- Cash is still the dominant mode of business transaction.
- Poultry, cattle and eggs continue to be in very high demand, with Zimbabwe still dominating this market.
- Institutionalising the Liaison Committee and building their capacity for market research and agency services as a commercial endeavour will be a significant support to Zambian businesses wishing to participate in the Congo market.
- The Congo market is very sensitive to volumes and consistency of supply.

The Congo requires strategic and concerted efforts, primarily from the Zambian Government, but also from the private sector. The lack of a bi-lateral trade agreement between the two countries remains the single most important barrier to significant increases in Zambian exports. The establishment of a commercial, private sector operated warehouse at Kasumbalesa, on the Zambian side, offering storage – including cold storage – for Zambian goods would have the second most significant impact on the level of exports from Zambia into that market.

SADC

The project has continued assisting MCTI technical support in the preparation of negotiating positions on various issues pertaining to the SADC Trade Protocol. Major issues considered included the MMTZ quotas under the special arrangement on textiles and clothing with SACU, the SACU accelerated textiles and clothing tariff offer and outstanding rules of origin on wheat flour and products thereof, electrical machinery, etc.

In addition to providing technical input, ZAMTIE as part of the capacity building component participated in the negotiating meetings to provide on-the-job-training on negotiating skills to MCTI officials.

The EU/ACP negotiations and the EPA configuration have been a major part of the SADC discussions in the current year. A lot of pressure is being applied to countries like Zambia who have dual membership to SADC and COMESA to make a decision on configuration. ZAMTIE is supporting the Ministry in conducting an assessment of the options available to Zambia. As a starting point, ZAMTIE facilitated a study which brings out the economic and social benefits of Zambia opting for one over the other. The study is still under consideration.

Major achievements have included approval for increased quota allocation for Zambia and others under the MMTZ/SACU textiles arrangement. Once implemented, likely to yield export earnings in excess of US\$5,000,000.

COMESA

ZAMTIE has continued to provide the Government support in the preparatory work for the negotiations on the Common External Tariff (CET), Customs Union and a Common Tariff Nomenclature due to be launched in 2004. This is in addition to technical support in the negotiations on an Eastern and Southern African EPA spearheaded by the COMESA Secretariat. COMESA has already started discussions on negotiating issues and would like to announce the launch of negotiations with the EU before the end of 2003, with a view of commencing negotiations during the first half of next year.

Agricultural Trade Forum (ATF)

ZAMTIE continued providing support to the ATF. The first meeting of the Forum was held in July 2003 and resulted in the establishment of a sub-committee on agriculture whose first task was to provide input into the national position for the Cancun WTO Ministerial meeting in September 2003.

World Trade Organization

WTO preparatory activities and negotiations in Cancun was another area where MCTI required ZAMTIE support. The project provided technical assistance in the preparation of a national position on various negotiating issues under consideration, in addition to being resource persons at preparatory workshops and consultative meetings. ZAMTIE will continue assisting the Working Group post Cancun.

With regard to preparations for services negotiations, ZAMTIE continued to provide support for the preparation of national negotiating positions on these various issues. After the initial facilitation of the first national workshop on services, in October 2002, which brought together all major stakeholders with a view of mapping out a strategy for approaching the negotiations on services both at multilateral and regional levels, ZAMTIE engaged two local consultants to undertake an assessment study of the telecommunication and financial services sectors and make recommendations for possible responses and requests to other WTO members.

The consultants have since completed the study¹⁸, which is now under consideration by the National Working Group and other stakeholders. Three roundtables targeting the insurance, telecommunications and financial institutions were held in the month of July 2003 in attempt to broaden the consultative base. The recommendations from the three groups have since been presented to the NWG for consideration.

¹⁸ Manenga Ndulo, *The Zambian Services Sector and the Multilateral Services Trade Negotiations*, ZAMTIE, September 2003.

Africa Growth and Opportunities Act (AGOA)

During the year progress has been made in the various processes towards increased exports of Zambian products into the US, under AGOA. However these processes are still a significant way from translating into significant exports.

Fresh horticultural products and pest risk assessments: The Pest Risk Assessment (PRA) process saw the stationing in the region of APHIS expert, for 50 percent of his time in Zambia or on Zambian PRA's. Through his office, various capacity building activities are being conducted including training, equipment provision, etc.

The stationing of a second APHIS expert in Zambia for seven weeks between May and July this year resulted in the completion of pest lists for: fine beans (*Phaeseolus vulgaris*), baby corn (*Zea mays*), baby squash (*Cucurbita maxima*), baby carrots (*Daucus carota*) and courgettes (*Cucurbita pepo*). Additionally, we are informed that the asparagus PRA, which was started several years ago, is now close to completion. Through support from FAO pest lists for chillie peppers, leeks, okra and onions are being prepared.

A down side to progress in this area is the announcement in Lusaka by one of the APHIS experts that the rule making process had been extended recently from a 12-month to an 18-month process.

Handicrafts and Category 9 products: July 2003 saw the placement in the US Federal Register approval, by the US Committee for the Implementation of Textile Agreements, for the Zambian Government to issue visas certifying Category 9 products and instructing that such certified products be allowed duty free entrance into the US under AGOA Category 9 provisions. ZAMTIE had earlier assisted the Government with placing its Category 9 credentials before the US Government.

In line with the approval, the Ministry of Commerce, Trade and Industry has requested ZAMTIE to provide technical assistance in building her capacity to export Category 9 and handicraft products. ZAMTIE has responded in the affirmative and has identified activities that could lead to improved exports in this sector. These include product identification and capacity building in product development and marketing.

Textiles and garments: Sluggish response continues to define Zambia's exports in this sector. Leaders continue to be Swarp Spinning who export yarn to South Africa, a demand that apparently is driven by onward exports into the US under AGOA. Unity Garments brought some cheer with their first confirmed monthly order of protective clothing, cut and sewn in Zambia with fabric imported from South Africa.

With the apparent preference for an extension on the rule allowing LDC countries to import their fabric from any nation, Zambia lost a potential Asian based investor, interested in establishing an integrated textile mill in the country. Without the limitation on LDC nations, the investor could continue to supply fabric to LDC countries from their base in Asia. ZAMTIE has continued to argue that the extension favours garment production, a short to mid-term advantage with a technology and skills investment inferior to textile investment. ZAMTIE has since produced a study with options that provide a compromise between non-extension and open extension. The study includes a preferred option for a specified time frame for extension with no option of extension beyond that time frame. This transmission of a clear message to non-LDC based textile producers should encourage investment in the mid-term period.

AGOA Forum II – Mauritius – January 2003: January 2003 saw the participation of a high powered Zambian delegation, led by the Minister of Finance and the Minister of Commerce, Trade and Industry and organized by ZAMTIE, in the AGOA Forum II in Mauritius. Private sectors participation was also strong. For Zambia, the success of participation would chiefly lie in the US/Zambia bilateral which raised the issues of PRA's, Category 9 visa and other pertinent issues. Developments in the PRA process and the Category 9 visa can be linked to this bi-lateral. However it must be mentioned that Zambia's flower and horticultural display at the exhibition stole the lime light, with ZEGA and Agriflora representative appearing twice on the front page of the local newspapers there. Both were sponsored by ZAMTIE.

APHIS/USDA familiarisation and awareness tour – February 2003: In February, an APHIS and USDA team had extensive consultations and awareness meetings with the government, scientists, exporters and growers of horticultural crops in Zambia. The tour was organized and facilitated by ZAMTIE. The visit by the officials to the packing houses and growing sections of Agriflora and York farms, and the cold rooms and facilities of ZEGA at the Lusaka International Airport convinced APHIS of the readiness of Zambia to export to the US. One of the PRA pest lists was completed. This tour was followed by another APHIS expert spending a seven-week period in Zambia developing further pest lists.

AGOA III – Washington December 2003: In view of ZAMTIE's role in supporting Zambia's participation at AGOA II, a renewed request was made for logistical, technical and financial support to Zambia's participation in the AGOA Forum III in Washington. ZAMTIE is supporting attendance of six participants, providing technical input into Zambian position papers on textiles and garments, and biotechnology. Zambia, through intervention of ZAMTIE has also requested to make a presentation on textiles during the Ministerial Forum. Other Zambian presentations at private sector workshops of the forum include a presentation on textiles and garments and another on agriculture and agri-business. Both presenters are sponsored by ZAMTIE.

ZAMTIE is also supporting the attendance of two participants at the handicrafts workshop, who shall conduct a mini demand and supply survey

and assess Zambia's competitive and comparative advantage in this sector. The participants are also tasked with a series of programmes aimed at product development and improvement.

Plant Quarantine and Phytosanitary Services

In light of ZAMTIE's involvement in promoting exports of Zambian fresh produce, the Ministry of Agriculture and Cooperatives in August 2003 requested ZAMTIE's participation on the National Phytosanitary Steering Committee. The objectives of the committee are to reduce the risk of importing potential exotic insect pests and diseases and improve Zambian opportunities for export of fresh agricultural produce including vegetables and flowers by improved quality control at the inspection stage. Key activities include:

- "...guide the functions, duties and operations of the Plant Quarantine and Phytosanitary Service (PQPS), and advise the Minister of Agriculture and Cooperatives, on all matters concerning the service.
- "Supervise and if necessary, make recommendations for amendments to the current plant health and quarantine regulations."
- "Make recommendations on the work programme and annual budget allocation for the Plant Quarantine and Phytosanitary Service (PQPS) to be implemented in each of the coming fiscal years."
- "Ultimately, reply to all questions related to plant health inspections and market access presented to the Minister of Agriculture and Cooperatives."

ZAMTIE's focus on the Committee will be to assist it promote the establishment of a centre of excellence for the Southern African region, particularly in PRA's and plant inspections, in Zambia. The second focus area for ZAMTIE will be to help the steering committee identify institutions and programs that will support a training and capacity building program over at least three years, for identified scientists and technicians key to providing technical input into PQPS area.

National Export Crop Committee

Arising from the familiarization and awareness tour by APHIS/USDA to Zambia in February 2003, a national committee to drive export of Zambian crops was established. Participation is drawn from the Ministry of Agriculture and Cooperatives (Mount Makulu Research Station), who chair the Committee meetings, the Environmental Council of Zambia, the Ministry of Commerce, Trade and Industry, the University of Zambia, the School of Agricultural Sciences, the Export Board of Zambia, the Zambia Export

Growers Association and ZAMTIE who coordinates the committee and serves as its Secretariat.

Biotechnology and Biosafety

Following the return of the team of Zambian scientists and officials, sponsored by ZAMTIE to visit the US and South Africa to aid them in assessing the risks associated with the consumption of genetically modified (GM) food, the preparation of their report recommending against the Government accepting a proffered US gift of GM maize, and the Government's decline of the US' offered gift, ZAMTIE commissioned a review of the Zambian team's report by a former acting director of the Zimbabwe Biotechnology Research Institute¹⁹. The review report contended that in face of the potential famine facing Zambia, the risks which led to declining the US gift were minimal and could have relatively easily been assessed.

The Ministry of Science, Technology and Vocational Training – the Ministry with the lead on biotechnology – requested ZAMTIE's assistance with (1) harmonization of the draft biotechnology-biosafety legislation with other existing food, drug, crop and environmental legislations, (2) help with the establishment of a biotechnology and biosafety desk office in the National Science and Technology Council pending the establishment of the National Biotechnology and Biosafety Authority, (3) sponsoring high-level decision-makers to attend a policy course at Harvard University and (4) supporting tissue culture development. The project has agreed to provide the requested support. ZAMTIE also supported a number of other capacity building trips and programs. These are described in this report's following section on capacity building.

Developing a road map for investment opportunities and business development – Eastern Province Chamber of Commerce and Industry

Realising the need for a targeted development strategy or plan to provide a basis for consensus and action to stimulate business and entice investment, the Eastern Province Chamber of Commerce and Industry (EPCCI) requested ZAMTIE to provide technical support in the development of a business plan. EPCCI felt that the Eastern Province needed a holistic business plan that would contribute to the economic growth of the Province by identifying feasible investment opportunities and core actions that should be taken by stakeholders in the near-to-mid-term.

This initiative was unique in two respects: to begin with, it is the first such initiative led by the private sector (most regional plans and programme are the preserve of government). Secondly, agriculture has been designated as the main stay of economic activity by the current government and the Eastern Province is the country's highest regional producer of maize, tobacco, cotton, groundnuts and soya beans.

¹⁹ JL Chigogora, *Review of the Recommendation by Zambian Scientists on Genetically Modified (GM) Maize Donated to the Government of Zambia*, ZAMTIE, January 2003.

Seven of the eight districts were visited over a period of four weeks with numerous consultations with stakeholders in the province and at national level, in Lusaka. Key deliverables were the report, which is available for circulation, and the establishment in a Provincial and eight District Business and Investment Task Forces. The report will be used to find partners and financiers to take strategic business opportunities to feasibility levels and, hopefully, on to operations. The task forces are a public/private partnership with high level government and private sector representation that will deal with issues that affect the business and investment climate, eg Council levies, allocation of land and licences to investors.

ZAMTIE will continue to provide support to EPCCI in this endeavour in a bid to see some of the identified projects on their way to implementation.

Barriers to Internal Trade and Business

Towards decentralising its operations, the Zambian government has been providing some authority to local authorities (district councils) to establish their own development strategies. Further, due to decreasing national revenues, government has significantly reduced funding (operational grants) to these local authorities. To mitigate this position, the local authorities have been allowed to develop by-laws that create levies on various goods and services moving out of / into their areas as a bid to raise operational funds. Under the Local Government Act that governs this power, local authorities are expected to consult thoroughly with stakeholders in their areas – particularly the private sector to which most of the levies are targeted, before applying such levies.

The process of consultation has in most cases been non-existent at worst and ad-hoc at best. The private sector has found themselves at the mercy of arbitrarily developed levies slapped on them with little or no notice. Further larger and more successful operations in areas with limited economic activity have found themselves targeted by councils, desperately trying to meet their operational budgets. In response to a request from the ZNFU and ZAM, ZAMTIE commissioned a study to evaluate the effect of the levies and the process of consultation in developing them, in three districts. The report which will be out by the end of November will lead into a meeting between the private sector and the Ministry of Local Government & Housing in a bid to come to a mutually agreeable way forward.

Financial Services

Ten years ago the Zambian government introduced legislation for the establishment of a stock exchange and a regulator for the exchange and securities market. It is the general impression of champions from the private sector in this field that performance has been below target and capacity. Despite various initiatives to stimulate growth, by cooperating partners, the government and the private sector, it remains challenged by various factors including: marketing strategies, capacities and performance of brokers, competing investment options primarily from government bonds and securities

aimed at raising money for government operations, institutional investors historically focused on real-estate and the less risky and higher yielding government investment instrument. Other factors are identified as a lack of a culture to save amongst retail investors and general mistrust of the non-traditional instruments of investment.

ZAMTIE working with champions in the sector including the regulators and the stock exchange have established a Cluster whose objective is to articulate a long term vision for the development of the Zambian capital market and develop a strategy and work plan to achieve the vision. The Cluster has been warmly received and will also include members of the donor community interested in supporting this sector. Currently the Cluster is developing the framework to feed into the on going process of developing Zambia's Financial Development Plan, being coordinated by the Central Bank. ZAMTIE is coordinating the activities of the Cluster.

Promoting Trade in Services

In collaboration with the EBZ, ZAMTIE will support moves to promote the export of Zambian services. Part of this is addressed in Zambia's response to Trade in Services under WTO agreements. Further, and domestic focused, support is to encourage the application of benefits, similar to those given to producers of goods, to the service sector. These include tax concessions. ZAMTIE will draw up a plan of support based on the results of consultations between EBZ, the Business Forum and the Professional Centre, which represents various service provider associations and other stakeholders. The Business Forum proposed tax incentives for the service sector in its representation on the 2004 Budget.

North American Markets Promotion

In addition to AGOA, the Canadian Government developed the Canadian Market Access Initiative for LDCs. In view of the protracted process for entry of fresh crops into the US, a review of the sanitary-phytosanitary (SPS) conditions under the Canadian initiative will be evaluated to see if Canada is a more immediate launch pad for crop exports into America. ZAMTIE has already corresponded and received response from the Canadian High Commission in Zambia and will in the coming year do a comparison of the conditions for entry for both markets as well as establish what technical assistance the Trade Facilitation Office of Canada can offer Zambian exporters.

A Gemstone Mining and Processing Strategy

The ZAMTIE sponsored study on *Invigoration of the Gemstone Mining Sector* was widely adopted as constituting the basis for a reform program of this emerging sub-sector which has potential for contributing to the reduction of poverty in rural Zambia. The recommendations made in the report are now being actively examined for implementation by both EU-funded Mining Sector

Diversification Project and the World Bank Support for Expansion of Exports and Diversification (SEED) Project.

The Business Forum

During the year, the Zambia Business Forum witnessed an enormous growth in its activities. Issues addressed included formalization of the public/private sector platform strongly driven by the commitment of the Head of State. The proposal to amend the Zambia Investment Act was also a major pre-occupation. Some of the other issues addressed were: agenda for tax reform and macro economic stabilisation, adherence to the *Voluntary Code of Conduct* containing anti-dollarisation measures, high bank interest rates, high domestic debt and problems related to the administration of immigration permits. These and others are further elaborated below:

- Consolidation of improvements made to the refund scheme for VAT and other taxes has continued. Problems, arising from time delays associated with verification of claims, are continuing to cause refund delays but there are moves to address these implementation delays. The broadening of the tax base was initiated during the year following the inclusion of a presumptive tax for minibuss operators. The provision of tax relief for all business expenses was accepted in principle and in the 2003 Budget, foreign exchange losses on capital loans for construction projects was included as a tax allowable expense. The Zambia Business Forum expects that there will be further extensions to other tax allowable business expenses.
- Government has succeeded in obtaining technical and funding assistance for implementing tax reform partially based on the TOR articulated with the assistance of ZAMTIE. DFID, the UK Government's Department for International Development, is providing most of the support.
- Recently the Bank of Zambia has reduced the statutory reserve from 17.5 to 14 percent. A measure which has resulted in a modest decrease banks base lending rates. The Business Forum and ZAMTIE can take some partial credit for this move as it was articulated in the ZAMTIE study, *Review of Factors Affecting Levels of Interest Rates in Zambia*, and at the Business Forum roundtable on interest rates as well as at a meeting with the President. ZAMTIE through the Zambia Business Forum has and continues to make strong representations for the reduction of interest rates which is seen as a pre-condition to private sector business growth.
- No tangible results have been achieved towards the resolution of the intractable problem posed by the high level of domestic debt. The Government has seriously overshot its 2003 Budget target of limiting Public Sector borrowing to 1.55 percent of GDP. The Zambia Business Forum will be working with the Government in monitoring compliance with the revised borrowing limit of 2.1 percent planned for the 2004

Budget year. Significant reduction of Public Sector borrowing holds the key to improved macro-economic performance

- The concerns of some parts of Government regarding the growing dollarisation of the economy and the fears of private sector businesses that the Government was planning to re-introduce foreign exchange controls have both been effectively arrested through the wide adoption of the *Voluntary Code of Conduct* by the business community.
- The Public/Private Sector Committee on the amendment of the *Investment Act*, chaired by a member of ZAMTIE's staff, has produced a set of draft recommendations which are being used as a basis for consulting various stakeholders. Although there is a growing consensus for the Zambia Investment Centre to be a promotional agency for the attraction of investment to Zambia, there is still considerable work required to reconcile this vision with proposals for ZIC to serve regulatory and police functions associated with the administration of investment certificates, compulsory registration as a means of obtaining and maintaining records on investments, reservation of business sectors for exclusive Zambian participation, etc. The process requires additional in-depth consultation before a successful conclusion can be attained. Encouragingly, all stakeholders are beginning to acknowledge the holistic and global nature of the challenge of attracting significant levels of investment.

Milestones

Table 2 on the following page provides an overview of the progress toward achieving milestones related to the project component "reducing barriers to trade and investment". As may be seen, the project achieved or bettered all of the third year targets for this project component.²⁰

²⁰ See Attachment 2 for more detailed information on milestone achievements.

Table 2: Milestones – Reducing the Barriers to Trade and Investment

Milestone	Year 1 & 2 Targets	Years 1 & 2 Accomplishments	Year 3 Targets	Year 3 Accomplishments	Years 1, 2 & 3 Targets	Total Accomplishments	Percentage of Target Achieved
1. Trade and investment barriers identified (action plans drawn up for implementation)	13	17	8	9	21	26	124 %
2. Studies undertaken by ZAMTIE (whether or not business associations participated)	9	15	5	16	14	31	221 %
3. Additional NBCA and PBA hearings held as a direct result of ZAMTIE	11	21	6	25	17	46	271 %
4. Percentage of women attending hearings	21	22	25	26	23	23	100%
5. Newspaper articles written on issues outlined by ZAMTIE	11	14	6	11	17	25	147 %
6. Laws, regulations, policies disseminated to large audience	4	8	2	6	6	14	233 %

CAPACITY BUILDING

The targets for ZAMTIE's capacity building activities are ministries concerned with trade and investment, trade and investment service centers, business chambers and associations and private companies involved in trade and investment. Table 3 lists capacity building support provided during the current project year.

Table 3. ZAMTIE Capacity Building Activities During the Year

Event	Recipient	Results
Safeguards work	MCTI, MOFNP and ZRA	At MCTI's request, ZAMTIE provided a consultant who identified the need for a core team to conduct safeguard investigations once the amendments to the safeguards provisions of the current <i>Acts</i> and the regulations are approved by the relevant authorities. Members of the investigative team were identified. The result was a team of 15 members of staff from MCTI, MOFNP and ZRA undertook a three week course on trade remedies in general and safeguards investigations in particular.
WTO negotiations	Primarily MCTI staff but with the inclusion of other stakeholders at different stages	A working session on WTO negotiations was facilitated for MCTI, MACO, MOFNP, the private sector and other stakeholders. This was held to assist Zambia with the preparations for the Cancun Ministerial Meeting. The workshop provided a better understanding of the issues under discussion prior to Cancun,

		particularly the different proposals for modalities to govern future negotiations in Agriculture.
WTO Negotiations on Services	MCTI and major stakeholders in the telecommunications and financial sectors	ZAMTIE facilitated a study on the telecommunications and financial sectors, which has been used as a basis of discussions in the working sessions of the National Working Group on Services preparatory work for the WTO negotiations.
Training of MCTI middle management	MCTI	Training of middle management staff at MCTI on issue analysis and trade policy in general. Focus for most part of the year has been on SADC, COMESA, WTO and EU/ACP due to the ongoing negotiations.
ZNFU requested ZAMTIE's support in the formation of an Agricultural Trade Forum consisting of representatives from the various associations that form the ZNFU, MCTI, MACO and MOFNP.	The agricultural and agrobased business stakeholders	With ZAMTIE's facilitation, the ATF was officially launched in mid 2002. However, because of internal problems within the Farmers' Union, the first official meeting did not take place until July 2003. The objective of the Forum is to create a mechanism for routinely providing private sector input into agricultural trade related issues to Government. Terms of reference for the Forum were agreed to and ZAMTIE was appointed as an interim Secretariat.
Build capacity of the Eastern Province Chamber of Commerce	The Eastern Province Chamber of Commerce executive, the sub-	An expert was identified through one of ZAMTIE's associate

and Industry to become the premier business service organization (BSO) in the Province and the leading regional BSO nationally. Further, to build the capacity of the EPCCI to implement the specific recommendations and roles assigned to it, in the Eastern Province Business Plan.	committees and the secretariat	partners. The capacity building exercise awaited the completion of the EP Business Plan as it would have significant bearing on the work plan of the EPCCI and hence the roles and specific functions of the targets of the capacity building exercise. With the completion of the report, the capacity building work is likely to begin in early 2004 depending on the availability of the consultant.
HIV/AIDS program for the business community in the Eastern Province	EPCCI member businesses, initially limited to those based in Chipata	Realising that apart from a condom distribution program, some counselling centres and other literature development and distribution, the Eastern Province lacked a focused program of awareness and skills development for HIV/AIDS related issues in the formal work place. EPCCI requested ZAMTIE to facilitate the development of a programme for its member businesses. After discussion with various stakeholders, ZAMTIE paired with the ZHECT to design a program to assist businesses develop HIV/AIDS policies, provide training in places of work, and develop materials suitable for the workplace.
Development of a framework to utilise	Private sector business chambers, associations	One multi-sectoral and five sectoral workshops

Euro 20 million in institutional capacity building of the private sector, for public-private dialogue, under the European Union Country Strategy Paper (CSP) for Zambia in EDF 9	and other service organizations in Zambia	were held. A framework of the desired public-private dialogue, including public-private partnership in developing individual sectors, was developed. The framework has since been handed to the consultant tasked with drawing up a framework for the public and private sector aspects of the CSP.
ZAMTIE effort to facilitate organization of the gemstone mining and processing sector	Various Zambian gemstone associations	After a couple of stalled efforts, stakeholders in the gemstone sector met and elected an interim executive for the National Association of Non-Traditional Miners in Zambia. ZAMTIE has been requested to provide support to the establishment of their secretariat.
Pilot program to provide Internet services and websites for district business associations	Six DBA's: Kitwe, Solwezi, Mumbwa, Petauke and Livingstone	ZAMTIE participated in this USAID led program under the Leland Initiative. They provided a computer, printer, photocopier and scanner (in-one), Internet modem and paid for two executive members to be trained in Internet use. Kitwe DBA was the recipient of ZAMTIE support. The objective of the support was to improve the capacity of the DBA to exploit Internet technology including: improving communication, market linkages and business development.

		For the Kitwe DBA, the support from ZAMTIE was also expected to provide a source of revenue generation and an additional range of services to members.
Build capacity of the Petauke District Business Association leadership in preparation for their new role as promoters and shareholders in a multi-billion kwacha commercial farming operation in Petauke	Petauke District Cooperative Board Members and Management	The target group was taken on a study tour of Chimsoro Farms – the largest indigenous owned commercial farming venture in Zambia. The study tour also extended to Mpongwe Development Company, the largest commercial farming venture in Southern Africa ²¹ . ZAMTIE is also soliciting support from Land'O Lakes and/or CLUSA for training sessions for the board and management on models for business based cooperatives.
Build the capacity of the DRC Liaison Office to provide professional business linkages and market research services to Zambian businesses conducting or intending to conduct business in the Congo	Liaison Office – Lubumbashi – DRC	The Liaison Office – established in parallel with a Congo marketing trip supported by ZAMTIE – has submitted a proposal for the establishment of a center that will be the operational and administrative base for the Liaison Office. The proposal also seeks support to provide full time technical staff at the centre, for a fixed period. ZAMTIE is looking at this request and expects to respond in 2004.

²¹ Davies Maleka Lungu, *Awareness Tour of Chimsoro Farms Ltd and Mpongwe Development Company Ltd by the Petauke District Cooperative Union Board Members*, ZAMTIE, October 2003.

	<p>4. Senior government officials</p> <p>5. Various other stakeholders</p>	<p>modified organisms and products entering ZAMBIA.</p> <p>ZAMTIE is preparing to support the participation of four senior government officials, including a deputy minister and three permanent secretaries, at a training program on Science, Technology and Innovation at Harvard University.</p> <p>ZAMTIE supported the participation of five senior policy makers, researchers and academicians to attend the Annual USAID-Africa Conference on Biotechnology in Abuja, Nigeria.</p>
Building Zambia's capacity in science, technology and trade related issues	Practitioners in the fields of agriculture and agrobased business	<p>ZAMTIE was requested to facilitate the participation of Zambian candidates for the Cochran Fellowship Awards. The awards help selected participants build their capacity to provide technical services in their respective fields of agriculture and Agrobased business. ZAMTIE discussed, with the Cochran Fellowship representative, the possibility of developing a three-year training program targeted at scientists, managers and relevant stakeholders in export focused agricultural production and marketing.</p>

Build the capacity of the Technical Subcommittee of the National Export Crops Committee to provide support to the development of the export crops industry	National Export Crop Committee's Technical Subcommittee	With the help of the USAID Office in Zambia, ZAMTIE, which coordinates the activities of the Export Crop Committee, has requested material support from the Southern African Global Competitiveness (SAGC) Hub and APHIS to improve the Subcommittee's ability to conduct pest risk assessments (PRA's) and to administer the process of export crop promotion.
Build capacity of the cotton to garments sector for policy advocacy and issues related to the growth of the sector	Businesses and associations in the cotton to garments pipeline	ZAMTIE has been requested to help establish a secretariat for the association and to support two initial tasks: (1) work with the sector and ZRA to address problems with the duty draw back scheme and (2) work with the industry to identify a knitting mill investment which will provide immediate impact for the industry.
Improve the capacity of Zambian scientists to conduct PRA's for export destined crops	Mount Makulu Research Station and UNZA's School of Agricultural Sciences	During the work of APHIS expert on developing pest lists in Zambia, some Zambian scientists were also trained in pest list development. A team of five Zambians has now been identified to conduct the development of pest lists on a regular basis. This capacity building effort will also compliment initiatives under the Cochran Fellowship Program.

Build capacity in district business associations to develop sustainable programs and members' services	Mumbwa, Petauke, Solwezi, Livingstone and Ndola DBA's	ZAMTIE was requested by the Kabwe DBA and ZACSMBA to commission a study on the factors that had led to apparent successes in five of ZACSMBA's more than sixty DBA's nationwide. ZAMTIE commissioned a consultant proposed by ZACSMBA and a draft report submitted, which ZAMTIE felt was not up to standard and requested various modifications to the research process and report content. Unfortunately, the consultant despite a number of assurances has failed to complete the exercise according to the terms of reference (TOR).
Strengthening the Business Forum	The country's business and commercial community and private sector intermediaries	<ol style="list-style-type: none"> 1. The Zambia Business Forum was registered under the Registration of Societies Act No 119 of the Laws of Zambia on 19 August 2003. 2. USAID, SIDA and the Netherlands Embassy have pledged financial support to assist the Forum in starting up a Secretariat. 3. The Zambia Business Forum during the year expended its membership to include the Zambia Chamber of Small and Medium Business Associations, the Zambia Federation of Employers and the

		<p>Zambia Indigenous Business Association. The possibility of the Bankers Association joining the Forum is currently under discussion. In terms of economic significance, the Zambia Business Forum represents all the major business sectors and business associations and most of the private sector employment.</p> <p>4. The Zambia Business Forum is being considered as a major intermediary organisation for channelling of proposed EU support to private sector intermediaries.</p>
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Safeguards Capacity

At MCTI's request, ZAMTIE provided a consultant who identified the need for a core team to conduct safeguards investigations once the amendments to the safeguard provisions of the current *Acts* and the regulations are approved by the relevant authorities. Members of the investigative team were identified. The team of 15 members of staff from MCTI, MOFNP and ZRA undertook a three week course on trade remedies in general and safeguards investigations in particular. Two workshops on safeguards documentary requirements were provided for the private business sector.

Trade Negotiations

One of Nathan Associates Vice Presidents came to Zambia to join with ZAMTIE staff in conducting a one-day workshop on trade negotiations. This included a working session on WTO negotiations which involved staff from MCTI, MACO and MOFNP as well as representatives from the private sector. The training was held to assist Zambia with preparations for the Cancun Ministerial Meeting. The workshop provided a better understanding of the issues under discussion prior to Cancun, particularly the different proposals for modalities to govern future negotiations in Agriculture.

WTO Services Negotiations

ZAMTIE facilitated studies on the telecommunications and financial sectors, which have been used as bases of discussions in the working sessions of the National Working Group on Services in their preparatory work for the WTO Services Negotiations.

Training within Government

Considerable training effort was focused on MCTI's middle management – primarily senior economist and economist positions. This involved among others the following:

- Providing guidance on preparation of national negotiating positions for SADC, COMESA and others
- Providing practical training sessions on negotiations. Examples include the SADC Trade Negotiating Forum (TNF), COMESA negotiations, WTO negotiations and workshops on negotiating skills
- Training on preparation and presentation of technical briefings for senior officials
- Preparation of Cabinet Memorandums after attendance of meetings where important decisions have been made that Cabinet has to be informed about and take necessary action if need be
- Analysis of various trade issues

The Agricultural Trade Forum

ZNFU requested ZAMTIE's support in the formation of an Agricultural Trade Forum consisting of representatives from the various associations that form the ZNFU, MCTI, MACO and MOFNP. With ZAMTIE's facilitation, the ATF was officially launched in mid 2002. However, because of internal problems within the Farmers Union, the first official meeting did not take place until July 2003. The objective of the Forum is to create a mechanism for routinely providing private sector input into agricultural trade related issues to Government. Terms of reference for the Forum were agreed to and ZAMTIE was appointed as an interim Secretariat.

The Eastern Province Chamber of Commerce and Industry (EPCCI) and the EP Business Plan Related Capacity Building

The Eastern province has many attributes including: largest producer of maize, sunflower, tobacco, cotton and ground nuts; closest point to the sea at Nacala Port in Mozambique and Zambia's fastest growing town – Chipata.

In recent years a number of seasoned and respected businesspersons have returned to the area to set up additional business bases. This has resulted in

the revival of the (EPCCI). The Executive of the EPCCI realised that the Eastern Province lacked a targeted development strategy or plan to provide a basis for consensus and action to stimulate business and entice investment. EPCCI felt that the Eastern Province needed a holistic business plan that would contribute to the economic growth of the Province by identifying feasible investment opportunities and core actions that should be taken by stakeholders in the near-to-mid-term. They embarked on this ambitious process and requested ZAMTIE to provide technical support.

After completing the development of the business plan, the EPCCI Executive needs capacity building to execute the tasks assigned to it, in the plan. These include galvanising the business community to market the identified opportunities, leading the public-private partnership process by chairing meetings of the business and investment task forces, established to address obstacles for private sector growth through partnership. Capacity building is also needed for the development of services that will attract and maintain member interest and provide an income for the EPCCI adding to its long-term sustainability. ZAMTIE will provide a consultant with the requisite skills to conduct the capacity building.

HIV/AIDS

A further intervention requested by the EPCCI Executive was the development of an HIV/AIDS program for the business community. This was upon realisation that though various health intermediaries were supplying condoms and relevant reading material, a few counselling centres and such, none had a comprehensive programme to build the capacity of businesses to develop policy and a culture that dealt with the pandemic in the workplace. After consultation with USAID, the Zambia Integrated Health Program (ZIHP) and others, ZAMTIE partnered with the Zambia Health and Education Communication Trust (ZHECT) to produce a framework for support to selected businesses in the Eastern Province – initially Chipata.

It is anticipated that a program will be drawn up and submitted for funding by the end of January 2004.

European Development Fund (EDF) 9 Component for Institutional Development and Capacity Building

The EU-Zambia Country Strategy Paper (CSP) under the 9th EDF provides for a minimum of 20 million Euros in funding for activities under the Institutional Development and Capacity Building Component. The CSP funds cover a period from 2001-2007 and focus on activities that promote public-private dialogue. In the early stages of the development of a framework for the utilisation of these funds, it transpired that the focus of the consultant would be issues under consideration for the public sector utilisation of the funds. ZAMTIE and the Private Sector Development Programme – an EU project – discussed the possibility of collaborating to involve the private sector in the development of the framework related to their capacity building. At a subsequent meeting, between the two projects, USAID, the EU and the

National Authorising Officer of the EU at the Ministry of Finance, it was agreed that involving the private sector in the development of the framework to utilise funds directed at them, would be desirable and a welcome input to the consultative process on developing a framework for the entire CSP.

ZAMTIE and PSDP proceeded to organise four sectoral workshops: agriculture, agri-business and agro-forestry in the Eastern Province; gemstone mining and mineral development in the Copperbelt Province; tourism in the Southern Province and commerce, trade and industry in the Central Province. The results and participations from the four workshops, fed into a final cross-sectoral workshop held in Lusaka. Four champions from each sectoral workshop represented their sector workshop at the Lusaka meeting.

The result was a set of recommendations, some specifically tailored to the EDF 9 facility whilst others reflected the broader interest of the private sector in public-private partnership. Further, ZAMTIE and PSDP invited business intermediaries to submit any specific proposals they had for public-private partnership. This process has fed into the framework development being managed by an independent consultant and is a landmark contribution to the framework development process of the private sector component of EDF 9 as well as to donor cooperation in the design of development programs.

The final stage of this intervention is the presentation of the results, of the consultative process and a vision for public-private partnership as viewed by the private sector, to a breakfast meeting of high level Government and EU officials.

Institutional Support to the Gemstone Mining and Processing Sector

The concept of an umbrella organization as originally endorsed by stakeholders, continued to be alluded to at various forum, but indecision continued to plague prominent stakeholders in the sector. However, in a meeting in August 2003, an interim nine-member executive was elected. The executive was tasked with drafting a constitution for consideration by a wider body and put in place logistics for the establishment of the Association of Non-traditional Miners in Zambia. The executive through the offices of the European Union's Mining Sector Diversification Programme (MSDP) have requested ZAMTIE support in financing activities towards the formalisation of their association. The activities include calling a meeting of all members to discuss a draft constitution and budget for 2004. ZAMTIE has since indicated willingness to support some activities but requested the revision of the budget assigned to the activities. It is anticipated that the activity will be launched in early 2004.

Pilot Program to Provide Internet Services and Websites for District Business Associations

Although a study, commissioned by ZAMTIE on e-commerce, recommended that any moves to promote e-commerce should be targeted at established businesses with significant market shares, ZAMTIE decided to participate in

this USAID led initiative to improve the capacities of the DBA's to utilise the Internet for business growth and institutional development. ZAMTIE's contribution was support of equipment, software and training to the Kitwe DBA. A report-back mechanism was agreed to that would enable ZAMTIE to monitor the usefulness and impact of the support to, firstly, the DBA's efficiency and effectiveness and, then, through this, to member's businesses.

The Kitwe DBA has been a fairly un-responsive partner in this exercise with no reports on the use or impact of the support being provided. Further, the members selected for training have spent the bulk of their time running their own businesses and have not to our knowledge imparted skills to other members. Other complications in this support have been the lack of deliverables in services from USAID's principle contractor – particularly the construction of websites for the DBA's. Recently, the International Executive Service Corps' (IESC's) Copper-link – another USAID funded program – provided technical and financial support to DBA's on the Copperbelt, resulting in the employment of a full time DBA Administrator for the Kitwe DBA. A meetings with the new Kitwe administrator seemed to indicate a desire and commitment for more pro-activity on the part of the DBA in the cooperation with ZAMTIE. In the event that a reporting system is activated, ZAMTIE will consider continued capacity building support to the Kitwe DBA.

Capacity Building Support to the Petauke District Cooperative Union (PDCU)

The PDCU is the oldest cooperative union in Zambia and the Eastern Province was the home of the most successful unions. However, the socio-economic era in which the unions thrived drastically differs from the environment pertaining today. In realising the need to “move with the times” PDCU board and management embarked on an ambitious program to establish a US\$11 million commercial agricultural venture. However, for most board members and management, the skills and dynamics of participating in such a venture were significantly different from their existing capacity bases. Realising this, they approached ZAMTIE to assist in building the capacity of the Union to grasp the nature of such an operation and further to look at possible restructuring options to develop their union into a vehicle more suited for conducting commercial business in today's market environment.

ZAMTIE obliged by supporting a study tour to two of Zambia's largest commercial agricultural operations: (1) Chimsoro Farms in Mkushi is one of the largest commercial agricultural ventures in Zambia with an annual turnover of US\$11 million on 6,000 hectares with 1,500 of this under centre pivot irrigation and (2) Mpongwe Development Company in Luanshya with a US\$20-25 million annual turnover on 13,000 hectares of cleared arable land with 4,100 of this under central pivot irrigation. The tours helped the Union board and management to understand the critical elements of commercial large-scale agricultural production, particularly the importance of water and mechanisation. The level of Zambian expertise available further encouraged the participants who proposed linkages with the two farms for technical assistance in the development stage.

ZAMTIE will further facilitate training sessions for the Union, with established commercial cooperatives such as CLUSA and Land'O Lakes to provide the PDCU with options on restructuring their union to suit their new vision.

Capacity Building for the DRC Liaison Office

The Congo continues to be Zambia's largest trading partner. Over the last two years ZAMTIE, in collaboration with the Export Board of Zambia (EBZ), has consistently supported initiatives to encourage further exploitation of that market by Zambian businesses. A ZAMTIE funded mission in 2002 led to the establishment of a Liaison Office charged with facilitating business entrance and expansion into the Congo market, of Zambian businesses. Further support has included the commissioning, completion and distribution of a handbook on doing business in the Congo.

The Liaison Office that has continued to receive requests for support and has drawn up a proposal for further institutionalising its operations and building its capacity to provide business linkage services and market intelligence to Zambian businesses. The proposal includes the rental of a facility that will provide administrative support, meeting room facilities, communication facilities and such. The proposal also entails the employment of requisite staff to provide the necessary administrative and technical services required of the office.

ZAMTIE is reviewing the proposal and, in consultation with the EBZ and Copper-link, will consider areas of support in 2004.

Support to Building Zambia's Capacity in Biotechnology

Zambia's high profile rejection of food aid in 2002, that contained genetically modified maize, seems to set the stage internationally of Zambia as an anti-biotech country. However, biotechnology has been occurring and will continue to be conducted in various fields in Zambia.

The US Government assigned funds for this sector, and USAID requested ZAMTIE to manage programs that would assist, provide information and build capacity in the sector. ZAMTIE supported various initiatives in this sector in the year under review.

ZNFU request to review the possibility of resuming tests on BT Cotton growing in Zambia: ZNFU is the most influential private sector voice in agriculture in Zambia. In reflection of the national uncertainty, ZNFU is internally divided about biotechnology. The Oilseed Commodity Committee of ZNFU, however, wishes to explore what would be required to resume Bt cotton trials in the country.

The reasoning is – that since Bt cotton (1) is a cash crop increasingly grown by rural communities and small-scale farmers, (2) would decrease pesticide use and (3) hopefully boost production – Bt cotton could boost rural incomes.

Further, the investigation will improve the capacity of the participants to understand biotechnology better.

A team comprising ZNFU Oil Seed Commodity Committee members, other ZNFU representation, cotton growers and promoters of out grower schemes, and members of the Cotton Development Trust would visit two research stations in South Africa to observe and evaluate the process by which Bt cotton research is done there.

ZNFU requested ZAMTIE to support this initiative and ZAMTIE has accepted. As a precursor to the study tour, a preparatory trip was conducted in November 2003 under part sponsorship of ZAMTIE. It is anticipated that the main sturdy tour will be conducted in early 2004.

Capacity building for legislators and government leaders in participating in policy development for biotechnology: Zambia is at the position where recent Cabinet approvals of a national policy on bio-safety have led to the drafting of a bill on bio-safety, to be presented to Parliament soon. The Biotech Outreach Society is a recently formed association. As part of their awareness campaign they proposed a two-day workshop for Parliamentarians. After discussions between the association, ZAMTIE and USAID it was resolved that prior to the parliamentary workshop, a smaller focused workshop targeted at government officials dealing with the legislation should be organised. The workshop would invite participation from government and parliamentary leaders from Malawi and South Africa, both of which have in place biotechnology legislation.

Detection of genetically modified crops: Mount Makulu Research Station requested ZAMTIE to support its capacity to detect genetically modified crops by sponsoring one of their scientists to a training workshop in South Africa from the 10-14 of November 2003. ZAMTIE accepted, provided support and is currently awaiting the report.

Harvard Science, Technology and Innovation Programme: The above program run by the John F Kennedy School of Government at Harvard University aims at building the capacity of senior government leaders to understand policy development on issues relating to science, technology and innovations. The program provides both intense training sessions and a wide range of senior policy makers from around the world, who are able to share their experiences in policy development in this area. One deputy minister and three permanent secretary level officials are being supported by ZAMTIE, to attend the program, which began on 29 November 2003.

Third Annual Conference: USAID-African Partnership in Biotechnology – Strategies for Biotechnology in Africa (APBSB): In 2001 USAID-APBSB developed a strategy for increasing the application of biotechnology to benefit African agriculture. Annually, partners from across Africa, US and European universities, USAID Missions and International Agriculture Research Stations meet to reaffirm their common vision and examine the status of implementing the strategy. ZAMTIE financed five participants from Zambia to attend the

Third Annual Conference from 17-19 November 2003. A report of their participation is awaited.

Cochran Fellowship Program

Since 1984, the US Congress made funds available for training agriculturalists from middle-income countries, emerging markets, and emerging democracies. Training opportunities are for senior and mid-level specialists and administrators, from the public and private sectors, concerned with agricultural trade, agribusiness development, management, policy, marketing, and technology transfer.

The Program's objectives are to provide high quality training resulting in knowledge and skills that will assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations and strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

Zambia has been invited to participate in this programme for the first time since the Program's inception. ZAMTIE was requested to identify candidates and coordinate the interviews with the USDA/FAS official. Due to insufficient information about the process, Zambia's participation was slightly unprepared. ZAMTIE did however discuss with the USDA/FAS official the possibility of submitting a three-year training schedule under this program. The schedule would take into consideration training programs from Mount Makulu Research Station, particularly the PQPS National Steering Committee, the National Export Crop Committee and the University of Zambia School of Agricultural Sciences. ZAMTIE has already spoken with these respective institutions and is likely in the new year to support measures to develop the training program. Results from the interviews held in Zambia on the 10 November 2003 are expected in January 2004.

Build the Capacity of the National Export Crops Committee

The National Export Crops Committee was established in February 2003 with the objective of driving the process for increased export of Zambian crops. It comprises stakeholders from government, research institutions, the Export Board, the Environmental Council, export crop growers and is coordinated by ZAMTIE. The committee has developed a one-year action plan and budget. It requested support from APHIS and the SAGC Hub for the provision of various equipment aimed at improving the capacity of its Technical Sub-Committee to develop pest lists for crops destined for international markets. An initial approval has been made of selected items and it is anticipated that supply will be made early in 2004.

Further capacity building for the Technical Committee was provided in the training exercises conducted by an APHIS expert during a seven-week posting in Zambia. Various training workshops were hosted and selected scientists worked closely with the expert during the development of pest lists for five-export crops.

Build the Organisational and Advocacy Capacity of the Cotton, Textile and Garments Sector

The vertical cotton, textile and garments sector has long been fragmented and unable to achieve results that more unified sectors have through their trade associations. Recent developments indicate that the stakeholders in the pipeline must grow as a unit, to spur the entire sector to growth. During the year, the South African Textile Federation wrote, encouraging Zambia to form an umbrella body covering the entire sector. The Minister of Commerce, Trade and Industry also wrote affirming his support for such an initiative and urging ZAMTIE to see how it could facilitate such a move in the sector.

Initial attempts to galvanise support for the concept amongst stakeholders received a rather cool response. ZAMTIE had offered to support an interim secretariat for a period of six months, based within ZAMTIE, and within this period develop a strategic action plan and budget for the secretariat and submit it under the EDF 9 facility for capacity building.

At a meeting in Ndola in November 2003, stakeholders agreed on the need for a common body and requested ZAMTIE to assist in its establishment. Stakeholders also committed themselves to galvanising the support of the rest of the sector for establishment of the umbrella body.

They indicated that to encourage initial and continued interest of stakeholders, two activities could be undertaken, whose resolution would greatly impact on stakeholders:

- Assist the sector identify modifications to the existing Duty Draw Back Scheme to make it an effective incentive for the sector
- To identify knitting mill investments to utilise the abundant cotton and yarn production in the country and provide knitted cotton fabric for the garment producers

ZAMTIE agreed to assist with this process and has written to a regional consultant in the sector to help identify possible targets for investment promotion. Other activities will continue in 2004.

The Business Forum

The year witnessed the registration of the Zambia Business Forum with Registrar of Societies and its growing acceptance as the major intermediary organ, for representation of the private sector on cross-cutting issues. USAID, SIDA and Norwegian Embassy have conditionally pledged to support the work of the Forum for the next two years. Recently, in September 2003, a ZBF delegation represented the private sector during the inaugural meeting that

the Head of State, as the head of a Government delegation, held with the Zambia International Business Advisory Council (ZIBAC) in Livingstone²².

Milestones

Table 4, starting on the next page, provides an overview of the progress toward achieving milestones related to this project component, “capacity building”. As may be seen the project achieved or exceeded all but two of this year’s milestones. For the three years of the project, 155 percent – on the average – of the targets were achieved.

²² Carl Aaron, *Zambia International Business Advisory Council Inaugural Meeting: Conference Report*, ZAMTIE, September 2003.

Table 4: Milestones – Capacity Building

Milestones	Year 1 & 2 Targets	Years 1 & 2 Accomplishments	Year 3 Targets	Year 3 Accomplishments	Years 1, 2 & 3 Targets	Total Accomplishments	Comments
1. Studies/assessment that NBCAs or PBAs participated in	5	6	4	6	9	12	133 %
2. Percentage of ZAMTIE's level of effort (local and expatriate) undertaken by women	21	34	25	43	22	37	168 %
3. Number of workshop/briefing/training sessions held for ministries	45	51	10	20	55	71	129 %
4. Number of officials at MCTI trained in regional and multilateral agreements	20	37	No target	11	20	48	240 %
5. Average number of officials from other key ministries aware and informed of the implications of regional and multilateral trade agreements (MFED)	25	5	No target	5	25	5	20 %
6. Average percentage of officials trained at all ministries who are women	27	37	No target	31	27	35	130 %
7. Number of private sector led workshops	16	22	3	7	19	29	153 %

8. Number of private sector leaders attending private sector led workshops	400	655	75	110	475	765	161 %
9. Percentage of the private sector leaders attending workshops who are from provinces other than Lusaka	28	76	No target	84	28	79	282 %
10. Percentage of private sector leaders attending workshops who are women	16	25	20	16	17	22	129 %
11. Percentage of private sector leaders attending workshops held outside of Lusaka who are women	13	27	No target	20	13	25	192 %
12. Number of NBCA's, PBAs/local chambers and other private sector support institutions benchmarked	6	7	3	6	9	13	144 %
13. Number of NBCAs/PBAs/local chambers, and private sector support institutions benefiting from an institutional strengthening program	6	7	3	3	9	10	111 %
14. Number of NBCAs/PBAs benefiting from computer and	3	1	1	2	4	3	75 %

equipment on cost-sharing basis							
15. Number of NBCAs/PBAs benefiting from training exercises (aside from trade)	6	10	3	3	9	13	144 %
16. Number of private sector leaders trained (aside from trade)	150	183	75	4	225	187	83 %
17. Percentage of private sector leaders who are trained in subjects other than trade who are from outside of Lusaka	33	75	33	75	33	75	227 %
18. Percentage of private sector leaders trained who are women	30	39	30	75	30	51	170 %
19. Percentage of private leaders trained outside of Lusaka who are women	30	63	30	100	30	75	250 %

FOSTERING LINKAGES

ZAMTIE's efforts to foster linkages to stimulate income-generating investment and trade opportunities between and among producers, suppliers, processors, traders, service providers, and consumers within and outside of Zambia included studies, workshops and other fora, directories, and advice to businesses. Table 5 lists the main activities that ZAMTIE has carried out under this project component during the reporting year.

Table 5. ZAMTIE's Linkage Generation Activities

Activity	Target and Links	Results
Development and hosting of ZAMTIE website to avail wider access to ZAMTIE studies and reports, and provide economic and business data through linkages	Business community, governments and the international community	Public has access to ZAMTIE reports, studies and other Zambia trade related information through the Internet. The website also provides linkages to other sites providing economic and business information.
ZAMTIE supported website design and development	The Eastern Province Chamber of Commerce and Industry (EPCCI) and the Zambia International Trade Fair (ZITF)	The two organisations have a more current and appealing presence on the Internet through which they can market their organisations activities or the region and its opportunities.
ZAMTIE's publication of <i>Charter</i> – a description of the Ministry of Commerce, Trade and Industry particularly denoting services the Ministry offers to businesses	Businesses world wide	The booklet describing the functions of the MCTI agencies; providing addresses for Zambian exporters, other important business contacts and Zambian diplomatic and consular missions; describing membership in multilateral trade related organizations; and providing lists of potential Zambian exports – are being distributed to Zambian diplomatic and consular missions throughout the world and to local

		commercial firms though out Zambia.
Trade missions – ZAMTIE continued to provide support to Zambian businesses and the EBZ in exploring market opportunities in neighbouring states.	Business community and EBZ – focus of markets – DRC and Mozambique	<p>Exploratory missions into Mozambique which led to continuing discussions on: (1) the establishment of a bureau du change in Tete, (2) the exportation of orange crystal products and (3) the possibility of selling animal stock feeds produced in Eastern Province with the eventual plan of establishing a stock feed mill in Tete.</p> <p>Further, as a result of the interest in the DRC and Angolan markets, a guide to doing business in the Congo was prepared and a desk study on Angola²³ was conducted followed by a workshop on the Angolan market.</p>
In country observation tours	1. USDA officials evaluating Zambia's readiness for export crops under AGOA	<p>These centred mainly in facilitating meetings with US based officials from the Department of Agriculture to tour the facilities for production and export of crops to international markets. As a facilitator for spurring work on PRAs, visits of USDA officials to the Agriflora and York Farm packing houses were important for expediting the dispatch of an APHIS expert to work on Zambian PRA's for seven-weeks.</p>

²³ ZAMTIE, *Desk Study on the Economic, Business and Investment Climate in Angola*, ZAMTIE, August 2003.

	2. Chimsoro Farms tour of Chimsoro Farms and Mpongwe Development Company	As discussed in the previous section.
Out of country observation tours	Organisations, businesses or individuals interested in foreign markets, new and appropriate technologies, investors, etc.	Two women were identified by the Zambian mission in Washington, for participation in the SADC African Crafts and Arts Exhibition held in October 2003 in Washington. The Exhibition exposed the participants to buyers, organisations supporting the sector in the US and to competitors from within the SADC region, for the US market. The result was a greater awareness of the preferences of the US markets, linkages with buyers and institutions supporting the development of the sector. The study tour has also led to support for follow up work in the sector, with the support of ZAMTIE.
Nacala Development Corridor and Investors Conference	Business linkages among governments, business persons and financing institutions in the region	In response to a request from the Ministry of Communications and Transport, ZAMTIE provided support to the participation of the private sector in the above investors' conference, held in Nacala in February 2003. Though not much was achieved during the conference, for the Zambian delegation, the corridor and port continue to be of strategic economic

		importance to Zambia as a whole and the EP in particular.
Follow up on <i>Eastern Province Business Plan</i> linkage requirements	Investors, financiers, technical partners and donors	The <i>EP Business Plan</i> identified opportunities and businesses, at various stages of development. ZAMTIE will continue working with EPCCI to link relevant stakeholders, to develop the business opportunities into productive and successful businesses. As part of this initiative, ZAMTIE provided support to PDCU to established commercial agricultural establishments in Zambia. Further, various projects from the <i>EP Business Plan</i> but restricted to the agricultural sector were registered at the Bank of Zambia (BOZ) Agricultural Marketing Conference held in November 2003.
Assist ZACCI in the development of a directory of Zambian businesses	Zambian and foreign businesses	The directory was placed on the ZAMTIE website.
US market product briefs	EBZ and the private sector	Briefs were finalized for (1) dried and dehydrated vegetables ²⁴ , (2) vanilla beans ²⁵ , (3) essential oils ²⁶ and (4) luggage, handbags and personal leather goods ²⁷ . The vanilla beans brief was reproduced in ZNFU's

²⁴ Michael Blakely, *Market Study: Dried and Dehydrated Vegetables*, ZAMTIE, January 2003.

²⁵ Michael Blakely, *Market Study: Vanilla Beans*, ZAMTIE, January 2003.

²⁶ Michael Blakely, *Market Study: Essential Oils*, ZAMTIE, January 2003.

²⁷ Michael Blakely, *Market Study: Luggage, Handbags and Personal Leather Goods*, ZAMTIE, January 2003.

		<i>Zambian Farmer Magazine</i> and received nationwide circulation.
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Development of the ZAMTIE Website – www.zamtie.org

ZAMTIE has in the period of its existence developed a significant database of studies and reports on market access, business environment issues and such. While the project ensures that hard copies are always available at its offices, this has limited the scope of people or organisations able to access this information. With the development of our website these publications are available globally. The site also has links to other sites providing economic and business information.

Other Website Assistance

ZAMTIE supported website design and development for the Eastern Province Chamber of Commerce and Industry (EPCCI) and the Zambia International Trade Fair (ZITF). The two organisations now have a more current and appealing presence on the Internet through which they can market their organisations' activities or the region and its opportunities.

Publication of *Charter*

During the year, ZAMTIE published *Charter*²⁸ – a description of the Ministry of Commerce, Trade and Industry highlighting services the Ministry offers to businesses. The booklet describes the functions of the MCTI agencies; provides addresses for Zambian exporters, other important business contacts and Zambian diplomatic and consular missions; describes Zambia's membership in multilateral trade related organizations; and provides lists of potential Zambian exports. The booklets are being distributed to Zambian diplomatic and consular missions though out the world and to local commercial firms throughout Zambia.

Trade Missions

ZAMTIE continued to support Zambian businesses exploring opportunities in the region, both by providing information on these markets, and facilitating trade missions. Our focus in the year has been the Congo, Angola, Mozambique and Malawi. Bilateral trade agreements with these countries (except Malawi) continue to be a major constraint to landing Zambian goods and services competitively there. In the Congo, our largest trading partner, goods from Zimbabwe, pass through Zambia and land in the Congo more cheaply than similar Zambian products, primarily due to the Zimbabwe-DRC bilateral agreement.

²⁸ Ministry of Commerce, Trade and Industry with assistance from ZAMTIE, *Charter*, MCTI and ZAMTIE, July 2003.

It is worth noting, that some support needs to be provided to Zambian businesses in helping them to effectively prepare for market exploration tours. At present, little market intelligence is gathered before trips, nor is there proper preparedness to represent their companies and products convincingly. This is a possible activity for the project in the coming year's program.

In Country Observation Tours

Zambia is an undoubted leader in the region in its fresh produce for export sector. The quality of facilities such as packing houses and cold storage at Agriflora, York Farm and ZEGA (airport) are world standard. Zambia's preparedness for exports of horticultural crops has been a significant factor in prioritising the nation for attention in PRA's. ZAMTIE has played a critical role in facilitating observation tours to these facilities.

Out of Country Observation Tours

At the request of the Zambia Mission in the US, ZAMTIE facilitated the participation of two African arts and crafts producers in the SADC Arts and Crafts Exhibition in Washington in October 2003. This was followed by an open day at the Zambian High Commission. One of the participants works with a women's group in Mongu, and the other is based in Lusaka. The participants were exposed to the tastes and requirement of the American market. They made linkages with retailers of African art, jewellery, clothing and crafts. They were made aware of the competition that they have to face from not only other regional countries but products from West and North Africa as well.

Further as a result of this initiative, coupled with a request from the Ministry of Commerce, Trade and Industry, ZAMTIE is supporting a more focused and strategic approach to exploiting opportunities in this and the Category 9 sectors. To this effect, two participants are being supported by ZAMTIE to participate in the AGOA Forum III Arts and the Crafts Workshop being hosted at the Smithsonian Institute in December 2003. The two will, together with a team to be assembled in January, provide technical support to a selection of organisations, businesses and individuals with the capacity to design, produce and market Zambian arts, crafts, clothing and jewellery for the international market. This ZAMTIE pilot program is expected to run through June 2004.

The Nacala Development Corridor

The Nacala Development Corridor runs through Zambia, Malawi and Mozambique. It provides an economic and infrastructure link between the three countries and is dominated by the existing rail link from Nacala Port on the Indian Ocean in Mozambique, to Malawi, with a possible extension into Zambia at Mchinji. Nacala is a deep-water port and Zambia's closest seaport.

The Ministry of Communications and Transport requested ZAMTIE to mobilise the private sector to participate in the Zambian Government's submission of

business profiles to a Nacala Corridor Investor's Conference in February 2003.

Though the provision of support was fraught with challenges, ZAMTIE considers the corridor and its relevance to Zambia and the business development plan of EP as strategic. The Conference did bring together businesses and businesspersons from the Southern African region.

Business Linkages and Strategic Partnerships for the EP Business Plan

ZAMTIE worked with the EPCCI to register projects and participants at the Bank of Zambia Agriculture Investment Promotion Conference. Selected agricultural projects noted from the EP business plan were registered for promotion during the conference. The Petauke District Cooperative Union has been requested to provide further information to interested partners as a result of their attendance.

Business Directory

The ZACCI/ZAMTIE Directory of Zambian Businesses was completed and placed on the ZAMTIE website.

US Market Briefs

At the request of the Export Board of Zambia (EBZ), ZAMTIE had US market research conducted on four categories of products. These were (1) dried and dehydrated vegetable, (2) vanilla beans, (3) essential oils and (4) luggage, handbags and personal leather goods. The vanilla beans brief was reproduced in ZNFU's *Zambian Farmer Magazine* and received nationwide circulation.

Milestones

Table 6 provides an overview of the progress toward achieving milestones related to the project component, "fostering linkages". Excepting milestones that are not applicable or on which no information is available, six of the nine remaining milestone targets were achieved, if one takes the three years of the project, 117 percent of the targets – on the average – were achieved.

Table 6: Milestones – Fostering Linkages

Milestones	Year 1 & 2 Targets	Years 1 & 2 Accomplishments	Year 3 Targets	Year 3 Accomplishments	Years 1, 2 & 3 Targets	Total Accomplishments	Comments
1. Growth in number of visitors to EBZ reference centre (library), from base year (2001)	25	-	50	Not applicable (NA)	75	NA	None of the regional or local business associations or chamber have reference libraries
2. Percentage growth in number of active members above base year (2001) in targeted PBA/local chambers	5	-	10	Information not available	15	NA	
3. Percentage growth in active members in targeted DBA/local chambers who are women	5	-	5	Information not available	10	NA	
4. Number of policy issues originating from districts outside of Lusaka	3	3	2	3	5	6	120 %
5. Number of reference libraries in PBAs receiving assistance	2	-	1	NA	3	NA	
6. Percentage growth in number of visitors to targeted district reference libraries	50	-	75	NA	125	NA	

7. Number of hits to the ZAMTIE website	200	0	1,000	-	1,200	2,258	188 %
8. Number of in-country fairs in which ZAMTIE participates	4	4	2	1	6	5	83 %
9. Number of companies benefited by ZAMTIE participation in in-country fairs	75	136	50	75 ²⁹	125	211	169 %
10. Percentage of beneficiaries of in-country fairs who are women	25	34	25	No information	25	Assume 34	136 %
11. Number of trade missions to third countries	4	3	2	3	6	6	100 %
12. Number of third-country observation tours	4	4	2	5	6	9	150 %
13. Number of participants in third-country observation tours	15	8	8	11	23	19	83 %
14. Percentage of participants in third-country observation tours who are women	30	59	30	50	30	56	187 %
15. Inter-country visits by regional investors, traders, or business people	10	6	5	2	15	8	53 %
16. Number of strategic partnerships developed directly as a result of in-	2	0	2	1	4	1	25%

²⁹ Estimate based on 750 hits to website reported by website host.

country, and third-country observation tours facilitated							
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FINANCIAL REPORT (through September 2003)

Contract Cost

The Contract has an estimated cost of US\$ 5,043,795 broken down as Follows:

Contract Line Item Number (CLIN)	Total Estimated Cost
0001 - Services	US\$4,803,614
0001 - Fees	US\$ 240,181

Total contract cost	US\$5,043,795
	=====

Amount Obligated by USAID

From the estimated cost above, the amount obligated from the beginning of the Project has been \$ 3,600,000, as can be seen below:

Contract Line Item Number (CLIN)	Obligated Amount
0001 - Services	US\$3,443,141
0002 - Fees	US\$ 156,859

Total	US\$3,600,000
	=====

Balance of Obligated Amount

Amount obligated by USAID	US\$3,600,000
Cumulated expenditure through September 2003	US\$3,294,048

Available funding	US\$ 305,952
	=====

Remaining Project at End of September 2003

Total estimated cost	US\$ 5,043,795
Cumulative expenditure (through September 2003)	US\$ 3,294,048

Remaining unexpended balance	US\$ 1,749,747
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Attachment 1

LIST OF ZAMTIE Reports – December 2002 to November 2003

1.	Strategic Reforms for Invigorating Gemstones Mining	Silane Mwenechanya	December 2002
2.	Extension of Import Time-Textiles from Outside AGOA Region	Joop A de Voest	December 2002
3.	ZAMTIE Annual Report	ZAMTIE	Dec 2001 to Nov 2002
4.	Market Study – Luggage, Handbag & Personal Leather Goods	Michael Blakeley	January 2003
5.	AGOA Information Booklet	ZAMTIE & MCTI	January 2003
6.	Review of the Recommendation by the Zambian Scientists on Genetically Modified (GM) Maize Donated to the Government of Zambia	JL Chigogora	January 2003
7.	Essential Oils	Michael Blakeley	January 2003
8.	ZAMTIE's Support to the Ministry of Commerce, Trade & Industry and the Private Sector for participating in the AGOA Forum II	Chibembe Nyalugwe	February 2003
9.	Background Information on Effects of Extending and Not Extending the September 2004 Deadline for Less Developed AGOA Qualified Countries to Be Able to Import Fabric from Outside the AGOA Region and Still be Qualified to Export to the USA under AGOA	Joop de Voest	March 2003
10.	Impact of AGOA Extending LDC Fabric Import Privileges Beyond 2004 (WOO)	ZAMTIE	March 2003
11.	Impact of AGOA Extending LDC Fabric Import	ZAMTIE	March 2003

	Privileges Beyond 2004 (WO)		
12.	Investment Act Amendment Consultative Workshops	Zambia Investment Centre	May 2003
13.	ZAMTIE Progress Quarterly Report	ZAMTIE	June 2003
14.	The Charter	Ministry of Commerce, Trade & Industry	July 2003
15.	Desk Study on the Economic, Business and Investment Climate in Angola – Business Summary	ZAMTIE	August 2003
16.	Levies and Their Effects on Domestic Trade	Lisa Alley	August 2003
17.	The Zambian Services Sector and the Multilateral Services Trade Negotiations	Prof Manenga Ndulo	September 22003
18.	Guide for Doing Business in the Congo DR	Lubumbashi Liaison Office	September to October 2003
19.	Zambia in Regional and Extra-Regional Free Trade Agreements: Estimates of The Trade and Welfare Impacts	Vernon O Roningen, DEAN A DeRosa	October 2003
20.	Advisory Brief on Proposed Amendments to Zambia's Investment Act	Carl Aaron	October 2003
21.	Awareness Tour of Chimsoro Farms Ltd and Mpongwe Development Company Ltd, by the Petauke District Cooperative Union (PDCU) Board Members	Davies Maleka Lungu	October 2003
22.	Review of Factors Affecting Levels of Interest Rates in Zambia	IMCS	November 2003
23.	Business Development Opportunities Assessment and Plan for Eastern Province	Martin Webber, Chibembe Nyalugwe and Marcos Arocha	November 2003
24.	Telecommunications Sector Reform	Shuller Habeenzu	November 2003
25.	Harmonizing Regional Cooperation in	Shuller Habeenzu	November 2003

	Telecommunication Sector: SADC or COMESA		
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ATTACHMENT 2

ZAMTIE PROJECT MILESTONES

REDUCING BARRIERS TO TRADE AND INVESTMENT

COMPONENT 1: MILESTONE 1 – Trade and Investment Barriers Identified

Trade and Investment Barriers Identified	Action Plan	Results
Requirement for AGOA visa system (barrier identified last year – results new)	Demand driven plan	Due to Zambia's qualification as an AGOA eligible country, two companies: Swarp Spinning Mills and Tonje Ltd have been exporting cotton yarn into the region, for onward processing and export into the US under AGOA. Swarp reported approximately US\$ 7 million in AGOA sells for the year. Further, Unity Garments Ltd has obtained orders for direct export into the US for protective clothing for and initial order earning US\$ 1.3-3 million annually.
Requirement for AGOA visa for Category 9 products	The Ministry of Commerce, Trade and Industry and the Zambian Mission in Washington requested ZAMTIE to provide support to build capacity of businesses and rural communities to	A quality control, design development and marketing programme for arts, crafts, traditional garments and other Category 9 products has been developed. The pilot will run from

	export arts, crafts and Category 9 products.	January-June 2004.
APHIS PRA requirement (barrier identified last year)	Demand driven plan	In response to demands from horticultural and floricultural producers and exporters, ZAMTIE assisted the campaign to have the PRA's completed. An APHIS team is based in the region, and an expert was assigned to Zambia for seven weeks between May and July 2003. With this APHIS support and additional support from the Food and Agricultural Organization (FAO), pest lists for eight crops have been completed.
Need for better documentation for safeguards protection	Demand driven plan	Legislation for safeguards protection enacted early in the year was found to need amendments. ZAMTIE helped draft these and regulations to facilitate implementation of the amended <i>Safeguards Acts</i> . Also the project trained an Investigative Team and held awareness workshops for the private sector.
Tax deductions can not be made on foreign exchange losses (barrier identified last year – new results)	This issue has been discussed with ZRA and a proposal placed before the Budget 2003 Task Force.	The 2003 budget allowed for this deduction for the construction industry. In the 2004 budget, the Business Forum has proposed that this be extended to cover other sectors.
Some business costs such as petrol,	ZAMTIE/Business Forum has taken	A submission to the 2003 budget task

cars and telecommunications are not allowed as business deductions for VAT purposes (barrier identified last year – new results)	this issue up with ZRA	force was not accepted. The Business Forum has re-proposed the provision for the 2004 budget.
ZRA has implemented a policy of requiring that an amount of K 5 million be due before a business can apply for a VAT refund. This is providing small businesses and farmers that comply with the VAT system with cash flow problems. (barrier identified last year – new results)	ZAMTIE/Business Forum has taken this issue up with ZRA	A submission to the 2003 budget task force was not accepted. The Business Forum has re-proposed the provision for the 2004 budget.
A proposed statutory instrument (SI) to make use of currencies other than the kwacha illegal: This was causing great uncertainty in the business community, an outflow of money from the country, which may have significantly contributed to the rapid depreciation in the kwacha in late October and November. (barrier identified last year – new results)	ZAMTIE/Business Forum held meetings with the Bank of Zambia and the Ministry of Finance to explain the implications of the SI for the economy and propose in its stead a voluntary code of conduct – to eliminate flagrant uses of the dollar in publicly visible transactions – which the business community would support.	The Business Forum in consultation with the private sector has produced a <i>Voluntary Code of Conduct</i> for the private sector, which has been accepted by government, and the private sector.
Need for SADC Trade Sector Meetings and Trade Protocol Negotiations to provide Zambia and increased quota of imports into SACU countries	Provide technical support in preparations for and participation in the SADC Trade Sector Meetings	ZAMTIE helped MCTI develop a national position on the referenced issue for the March 2003 Cape Town Meeting; the Special TNF Meeting held in Gaborone in May 2003, the Special Trade Ministers Meeting in June 2003 in Lusaka and the TNF and Trade

		<p>Ministers Meetings held in Blantyre, November 2003.</p> <p>At the Blantyre meetings, an agreement was reached for MMTZ countries to have increased quota allocation into SACU for textiles and clothing which could yield over US\$ 5 million for Zambia</p>
High bank interest rates inhibiting investment (barrier identified last year – new results)	ZAMTIE/Business Forum has commissioned a study of possible approaches to moderating these rates. The Forum has also made representations to the Economic Advisor to the President and the Resident Representative of IMF that the basic causes of the high interest rates are high government spending and borrowing – particularly from local banks.	The study commissioned by ZAMTIE was presented to and discussed with various stakeholders, most notably the Ministry of Finance and National Planning and the Central Bank. The study was also circulated amongst commercial banks and the private sector. Recent reductions by the Central Bank of statutory reserve requirements on commercial banks can partially be credited to the ZAMTIE efforts.
A proposed amendment to the <i>Investment Act</i> is a potential disincentive for investment (barrier identified last year – new results)	At the request of MCTI, the Business Forum hosted two stakeholder workshops to discuss amendments to the <i>Investment Act</i> .	A public / private sector committee on the Amendment of the Investment Act is chaired by a ZAMTIE staff member and is making progress in developing consensus on various issues regarding the amendments.
Rejects and out of style clothing coming into Zambia at duty rates as	This was pointed out in ZAMTIE's "Pipeline" study. It was discussed with	A levy of 2.5% was imposed on such imported products in the 2003 budget.

"second hand clothing" that is hurting the local apparel industry (barrier identified last year – new results)	MCTI, ZRA and the 2003 Budget Task Force.	
Extension beyond September 2004 of the AGOA rule permitting LDC's to import fabric for garment production from non-AGOA non-US sources	Provide data and analysis to convince AGOA regulators and other stakeholders that extending the provision is not in the region's medium and long-term interest, as it will discourage investment in textile mills and lower the demand for Zambian cotton and yarn	Zambia has adopted a phased approach to the extension, one of the options proposed in the ZAMTIE study. Zambia also has time availed during the Ministerial Forum and the private sector workshops at the AGOA Forum III to make presentations on the extension issue.
Levies placed by district councils on the movement of commodities into and out of their jurisdictions	A two-pronged approach was defined: (1) a desk study of the practice in other countries with regard to the internal movement of commodities and (2) an impact study in Zambia.	The desk study has been completed and a draft of the impact study has been prepared.
Lack of understanding about business operations in the DRC	The plan was to conduct a study and prepare a guide to doing business in the Congo.	<i>A Guide for Doing Business in the Democratic Republic of Congo</i> was prepared, published and widely distributed.
There needed to be a better mechanism for bringing the private sector into trade negotiations	Demand driven plan	The Agricultural Trade Forum was established with ZAMTIE assistance. This could serve as a model for other private sectors to becoming more involved in trade negotiations.
The high cost and lack of wide availability of information and communications technology is a serious barrier to involving Zambian	The initial approach is to conduct a study of the sector, prepare a plan for the way forward and distribute this.	The report <i>Telecommunications Sector Reform</i> was published and widely distributed.

business in the global trade system		
Lack of legal infrastructure and capacity is preventing trade in genetically engineered products	ZAMTIE's plan is to work with the Ministry of Science, Technology and Vocational Education, the Zambia National Farmers Union and the Biotechnology Outreach Society of Zambia to correct this deficiency.	Plans have been developed between ZAMTIE and each of the named organizations that are aimed at putting in place the needed infrastructure and building needed capacity.

COMPONENT 1: MILESTONE 2 - Studies Undertaken by ZAMTIE (whether or not business associations participated)

List Studies Undertaken	Name of Associations or Chambers which Participated if Any	Form of Participation by Associations or Chambers	Results
Impact of Council levies on the movement of commodities in Zambia	ZNFU and ZAM	Identification of products and districts for the study. Assistance in the development of the study TOR and provision of selected data.	A draft report has been prepared. When finished, this and the following study will be used to discuss this issue with the Minister of Local Government and Housing and the Minister of Commerce, Trade and Industry.
A study of other countries use, or not, of levies on the movement of goods within their countries	ZNFU and ZAM	The associations will make use of the study in their representations with regard to this issue	Study was completed and fed into the local study on council levies
The reasons for high bank interest rates	The Business Forum	The Forum is using the information from the study in	A reduction in the required statutory reserves has led to

		making representations with the government, the Central Bank and commercial banks in an attempt to lower bank interest rates.	a decrease in bank interest rates of two to three percentage points.
Study of doing business in the DRC			Handbook completed and circulated to stake holders in government and the business community
A desk study of the economic and socio-political environment in Angola			Study was completed and presented at a round table for stakeholders. The report and the roundtable are the basis for a proposed in-depth supply and demand survey for specific Zambian goods and services targeted at the Angola market.
A study of the US market for luggage, handbags and personal leather goods			Report completed and circulated
A study of reforms needed in the gemstone sector (reported last year – results new)			A report was completed and circulated. Recent moves to support a gemstone auction house and to establish an umbrella body for the sector can be partially attributed to this report. It is also being used by the EU-funded

			Mining Sector Diversification Project and the World Bank Support for Expansion of Exports and Diversification Project.
A telecommunications study to assist Zambia evaluate options for an EPA configuration			A report on telecommunications in the SADC and COMESA trading blocks has been completed and are now being examined by the Ministry of Commerce, Trade and Industry and other stakeholders.
A study of the US market for vanilla beans (reported last year – results new)	ZNFU	The Chairman of ZNFU requested the study	The report was concluded and ZNFU published it in one of its bulletins. Since then, one farmer has planted vanilla in a trial plot.
A study to assess the telecommunications sector and feed into Zambia's responses and requests under the World Trade Organisation's Trade in Services Negotiations			The study is complete and is being used as a basis for discussions with stakeholders in developing Zambia's negotiating position.
A study to assess the financial services sector and feed into Zambia's			The study is complete and is being used as a basis for discussions with

responses and requests under World Trade Organisation's Trade in Services Negotiations			stakeholders in developing Zambia's negotiating position.
Study to identify best practices in selected district business associations	District business associations and ZCSMBA	Provided information on their operations	Consultant has not produced a final report
Study to evaluate the impact on Zambia of the extension of the AGOA rule allowing LDC's to import fabric for further processing from non-AGOA countries.	Textile Producers of Zambia	Discussed the impact on Zambia, of such an extension, with ZAMTIE	Initial and follow up reports were completed, published and circulated. The reports were used as a basis for discussions with government and COMESA and for representations to USTR and other stakeholders. The Zambian Government's position changed from one of "going along" to one of trying to mitigate the damage that such an extension will do to Zambia.
Trade simulation modelling of Zambia in regional and extra regional free trade agreements	ZAM	ZAM identified important products to be covered by the simulations	The report has been completed and is being examined to determine if it has useful information from the perspective of the most favourable EPA configuration for Zambia
Study of a proposed	The Business Forum	The Business Forum has	Bad legislation has at least

amendment to the <i>Investment Act</i>		participated in evaluating the proposed amendment and in conducting workshops and roundtables on the amendments implications	been postponed. Proponents of the legislation have been convinced of the negative implications of many of their concepts.
Study of business input costs to provide data for better government decision making	The Business Forum and all of its component associations and chambers	Provide information on their input costs and share experiences on competitiveness	Ongoing
Study to identify business and investment opportunities and conditions in the Eastern Province	Eastern Province Chamber of Commerce and Industry and the Province's district business associations	Human, financial and material resources, Information, and facilitation	A business plan has been completed. Public-private business and investment task forces have been identified to address issues. Business linkages for select opportunities have been outlined in the report.
A study to provide private sector vision on public-private dialogue for input into the EU's plan for support to the private sector under its country strategy paper (CSP) for 2110 to 2007.	ZACCI, ZAM, ZNFU, the Tourism Council of Zambia (TCZ), the Livingstone Tourism Association (LTA), the Eastern Province Chamber of Commerce and Industry, the Chamber of Mines of Zambia (CMZ) and the Business Forum, the Zambia Coffee Growers Association (ZCGA), the Tobacco Association of	Sharing their visions, strategic plans, contributing out of own resources, time and finance to participate in Steering Committee deliberations	Consultative process complete and summary of proposals submitted to consultant developing overall framework.

	Zambia (TAZ), the Association of Women in Mining (AWIM), the Emerald Miners Association of Zambia (EMAZ), Kabwe Chamber of Commerce and Industry, the Construction Council of Zambia (CCZ), Association for Micro Finance Institutions in Zambia (AMIZ), Organic Producers and Processors Association of Zambia (OPPAZ), ZEGA, the Hotel and Caterers Association of Zambia (HCAZ), and the Travel and Tour Operators Association of Zambia (TTOAZ)		
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COMPONENT 1: MILESTONE 3 –Additional Chamber or Association Hearings as Results of ZAMTIE

Name of Chamber or Association	Nature of Hearing	Result	Number of Men Attending	Number of Women Attending
ZNFU, ZCGA, EPCCI, TAZ and other associations in the agricultural sector	Development of the agricultural component of the public-private	Sectoral report and selection of champions to represent sector in cross-	20	1

	dialogue framework under the EU-Zambia CSP 2001-2007	sectoral framework development		
ZCM, EMAZ, AWIM and other associations and businesses in the gemstone mining and development sector	Discussion on the minerals and mineral development component of the public-private dialogue framework under the EU-Zambia CSP 2001-2007	Sectoral report and selection of champions to represent sector in cross-sectoral framework development	20	9
TCZ, LTA, HCAZ, TTOAZ and other associations in the tourism sector	Discussion on the tourism component of the public-private dialogue framework under the EU-Zambia CSP 2001-2007	Sectoral report and selection of champions to represent sector in cross-sectoral framework development	21	11
Sectoral champions from four consultative workshops described above. Represented associations included ZNFU, EPCCI, ZAM, ZACCI, ZCM, TCZ, LTA and ZMIZ.	Discussion on the overall draft for private sector input to the development of the framework by consolidating sectoral reports	Draft framework and vision for public-private partnership in Zambia, and input into EU-Zambia CSP. Establishment of eight person steering committee and "secretariat" to consolidate and continue advocating the private sector view	11	7
Garment Association of Zambia and the Textile Association of	Discuss Zambia's position on the extension		13	0

Zambia	of the third party import rule for fabric under AGOA			
Luangwa Tourist Association	Discuss business and investment issues for the <i>EP Business Plan</i>		8	3
ZBF and Member Associations (ZNFU, ZAM, ZACCI, TCZ, CMZ, ZCSMBA, ZIBA, ZFE) – six meetings	Discussions of cross-cutting agenda issues (investment climate, macro-economic issues such as interest rates, domestic debt, etc)	Strengthened the ZBF action plan	47	5
ZACCI, ZAM, ZNFU, TCZ and CMZ	ZBF special meeting on privatisation - the way forward	A paper outlining effective approaches of public ownership primarily through the Lusaka Stock Exchange were offered as an alternative to privatization	7	1
World Bank/FIAS delegation	Investment Climate and Administrative Barriers Study	Defined the role of ZBF in the proposed study whose results would be used to address barriers to an improved business and investment climate	5	0
EU	Exploratory meeting on possible EU support to ZBF	The EU representative outlined possible ways of collaboration between the EU and the ZBF	3	0

MOFNP Tax Policy Review team - Professor Ghandi, ZAM, TCZ	Consultations re proposals for tax reform issues	The case for long-term tax reform was justified and accepted	6	0
ZAM, ZACCI, ZNFU, CMZ, TCZ	Proposals for collaboration between Secretariats of Member Associations and the ZBF Secretariat were discussed	Agreed to formally establish mechanisms for exchange of information and collaboration and also recommended that the Chief Executives of Member Associations should be in attendance at scheduled ZBF meetings	6	1
MOFNP, BOZ, ZRA, Commercial banks, IMCS and ZBF Member Associations	Interest Rates Study Report tabled and recommendations made	Contributions of Government, BOZ, Commercial banks and business community to high interest rates articulated and action plan developed	15	4
MOFNP, ZAM, TCZ and ZACCI	Reviewed the proposal to introduce capital gains tax in Zambia	Private sector is generally in support of the proposal	5	0
Steering Committee for the EU private sector support proposal and ZBF Member Associations	Collaboration with ZBF in developing the proposal for private sector support by the EU	Developed a joint proposal for submission and inclusion into the country request for assistance from the EU	19	5
ZBF, PSDA, ZIBA and ZIC	Articulate consensus recommendations on the	Draft recommendations articulated	3	8

	proposed amendment of the Investment Act			
CBC, SAFAC, ACC and ZBF	Cross-cutting ZBF views on the fight against corruption in the public sector were tabled and discussed	Agreed to co-host a review Workshop on the recommendations in the study report following the completion of the fieldwork	3	1
ZAM, ZACCI, ZNFU, ZIBA, CMZ, TCZ, and several individual business men	Preparatory meeting for the ZIBAC meeting in Livingstone	Agreed the agenda for the meeting with International Business Advisors and the Government	7	1
USAID, Royal Netherlands Embassy, Swedish, SIDA, NORSAD and ZAMTIE	ZBF proposal for Donor support was tabled for discussion	Positively reviewed and possible amendments suggested	8	3
UNIDO and ZBF	Areas of collaboration between UNIDO and the ZBF discussed	Areas of collaboration delineated and strategies agreed	2	1
World Bank and ZBF	Areas of common action by ZBF and the World Bank following the Livingstone ZIBAC meeting were elaborated	Cemented the ZBF/World Bank collaboration on the milestones established at the Livingstone meeting	2	0

COMPONENT 1: MILESTONE 4 –Percentage of Women Attending Hearings

Name of Chamber or Association	Nature of Hearing	Result	Number of Men Attending	Number of Women Attending
Information for Milestone 4 is included in information provided in Milestone 3 above				

COMPONENT 1: MILESTONE 5 –Newspaper Articles Written on Issues Outlined by ZAMTIE

Title of Article	Name and Date of Newspaper in which it Appeared	Summary of ZAMTIE Issue Reported
Safeguard Act to Be Amended	Zambia Daily Mail – 19/11/03	ZAMTIE resource persons assisting Zambia with technical support to amend the Safeguards Acts
EBZ Moves to Open up Angola Market	Times Of Zambia – 14/11/03	EBZ with the support of ZAMTIE is facilitating increased participation in the Angolan market by Zambian businesses through market intelligence and trade missions
Trade and Investment Opportunities in Vanilla	Zambian Farmer Magazine – June 2003	The suitability of Zambian climatic conditions for vanilla growing and the international demand for it and its various products (as a result of the Vanilla bean study commissioned and circulated by ZAMTIE)
Number of Ministries Should Be	Times of Zambia 21/10/03	BF Coordinator chairing the committee on finance

Reduced to 14		at the national <i>indaba</i> emphasised the need for Government to reduce its expenditure by reducing its size
Business Forum Wants Debt Swap with Government	Zambia Daily Mail – 01/10/03	Business Forum representing the private sector wants monies owed to businesses by Government offset against businesses tax obligations to Government
Public, Private Sector Ties Vital – Appel	Times Of Zambia 30/09/03	The Deputy Minister – MCTI emphasised the importance Government places on public private partnership to achieve economic growth and made reference to “the good relations” the private sector and Government were enjoying through the Business Forum
Lets Work Together, State Urged	Local Daily – 19/09/03	The private sector and government need to work together to achieve economic development and inclusion of policy makers in business prospects was key. This was said at a roundtable hosted by ZAMTIE to discuss the draft <i>EP Business Plan</i> developed with the technical support of the project.
Private Sector Welcomes Business Forum	Daily Mail 04/09/03	ZACCI welcomes the Government's invitation for dialogue with the private sector through the Business Forum. This was in line with the Republican President's invitation to the Forum to participate in meetings with the Zambia International Business Advisory Council.
Levy Sets up Think Tank	Daily Mail – 03/09/03	President has established high level international think tank and invited the Forum to identify representation from the local private sector to participate in discussions with the think tank

Create Jobs Mwanawasa Challenges Businessmen	Daily Mail 07/08/03	Government is encouraging private sector to use technologies and production systems that are labour intensive and to establish HIV/AIDS policies in their businesses. He was speaking at a meeting with the Business Forum at State House.
Zambia Business Forum Expresses Concern over Continued Strikes	The Post Newspaper – 07/08/03	At a meeting between the Forum and the Republican President, the Forum expressed concern over continuing labour strikes and unresolved constitutional issues that were affecting economic performance.

COMPONENT 1: MILESTONE 6 –Laws, Regulations, Policies Disseminated to Large Audience

Laws, Regulations, Policies Disseminated	How Dissemination Took Place	Estimate of Size of Audience Reached	Results
AGOA regulations and Category 9 visa in particular	Through informing the Ministry of Commerce, Trade and Industry and the Export Board of Zambia	Hundreds	Request to develop a program for Category 9 products development and export into the US
Amendment of the <i>Investment Act</i> of Zambia	Distribution of <i>Act</i> and proposed amendments, hosting of private sector workshops, supporting workshop for Parliamentarians, publicising process in the print media	Tens of thousands	Private sector played and continues to play an active and prominent role in providing input to the proposed amendments. A

			public- private committee was established to coordinate the process. The chair of the committee is a member of staff of ZAMTIE.
Amendments to safeguards legislation and development of regulations	Workshops, training sessions	Hundreds	Draft amendments to the <i>Acts</i> and <i>Regulations</i> have been prepared.
APHIS pest risk assessment requirements for unprocessed plant and animal products	Newspaper articles, training sessions, awareness sessions, local and international lobbying	Hundreds	APHIS expert stationed in Zambia May-July 2003, five pest lists completed. FAO expert and local consultants completed another three pest lists.
<i>Zambia Trade Policy Review</i> under the World Trade Organization (WTO)	Through consultations held with all the relevant government and quasigovernment institutions consulted in the process of coming up with a national document for presentation in Geneva. In addition, the document was circulated to	Thousands	Greater awareness and appreciation of Zambia trade policies and the difficulties it has with integrating into the global trading system.

	various stakeholders once it had been concluded. At international level the policy document was circulated to all WTO members and also posted to the WTO website after the meetings.		
Policies and regulations in the services sector	Disseminated through a National Workshop on WTO Trade in Services facilitated by ZAMTIE and UNCTAD	Forty-five participants from all the stakeholder institutions (public and private)	Establishment of the first National Working Group on services which will map out a national strategy for the WTO negotiations on services and facilitate future coordination of all trade related activities in this sector

CAPACITY BUILDING

COMPONENT 2: MILESTONE 1 – Studies/Assessment in which NBCA's or PBA's Participated

Name of Study/Assessment	Name of Participating Chambers and Associations	Summary of Study/Assessment Conducted	Results
Eastern Province Business Plan	EPCCI, LTA, TCZ, ZNFU, ATF and other national	The study identified major business opportunities and	Establishment of Provincial and District

	associations	assessed the investment climate in the Eastern Province	Business and Investment Task Forces and preparation of profiles of specific business opportunities
Trade simulation modelling of Zambia in regional and extra regional free trade agreements	ZAM	The study simulated the trade and welfare benefits of removing duties under different trade configurations such as COMESA and SADC.	The report has been completed and is being examined to determine if it has useful information from the perspective of the most favourable EPA configuration for Zambia
Study to identify best practices in selected district business associations	Five district business associations and ZCSMBA	The study was aimed at determining factors that led to success in district business associations	The consultant submitted a draft report.
EU/Zambia CSP – institutional development and capacity building framework development	All major national sectoral business associations and regional associations individual businesses	Through public-private dialogues, capacity building needs of the private sector were determined	The framework for the private sector component of the institutional development and capacity building segment of the CSP, was submitted to the consultant for inclusion in the overall CSP framework.
Review of factors affecting levels of interest rates in Zambia	ZBF and component associations	The study was aimed at identifying causal factors for consistently high interest rates in commercial banks;	The study was completed and circulated to the Central Bank, the Ministry of Finance, commercial

		causes for the gap between CB interest rate and those offered from treasury bills and establish policy interventions to redress the situation	banks and business associations. Discussions were held and the recent reduction by the Central Bank in the statutory reserves commercial banks hold with them, can be partially attributed to this study and subsequent discussions.
Council levies study	ZAM, ZNFU	The effects of Council levies focusing on agricultural produce (cotton and coffee) on internal trade and business. Crops selected were: coffee, cotton.	The study is in internal review and will be used by ZNFU and ZAM to discuss the issue of Council levies with the Ministers of Local Government and Housing and of Commerce, Trade and Industry.

COMPONENT 2: MILESTONE 2 – Percentage of ZAMTIE’S Level of Effort Undertaken by Women

Staff Name	Period Worked (months)	Gender
Ronald P Black	12.0	Male
Dorothy Tembo	12.0	Female
Dr Silane Mwenechanya	12.0	Male
Chibembe Nyalugwe	12.0	Male
Restone Chila	12.0	Male

Chishimba Shikoki - Soko	9.0	Female
Louise Shamasapo	8.0	Female
Beatrice Mwanamuchende	12.0	Female
Sunday Chimbanka	12.0	Male
Stephen Mwakapandula	0.7	Male
Stella Mundia	8.0	Female
Lawrence Mukuka	0.5	Male
Joy Chigogora	1.0	Female
Joop A de Voest	0.2	Male
Lance Graef	0.3	Male
John Kasanga	0.3	Male
Mike Sikazwe	0.3	Male
Geofrey Mwale	1.0	Male
Lungowe Lutangu	0.3	Male
Prof Manenga Ndulo	1.0	Male
Chikakula Miti	0.3	Male
Shuller Habeenzu	2.0	Male
Gordon Murray	0.2	Male
Lisa Yarmoshuk	5.0	Female
Vernon Roningen	1.0	Male
Dean DeRosa	0.2	Male
Angela Curtis	0.2	Female
Zachary Noteman	2.5	Male
Carl Aaron	0.8	Male
Martin Webber	0.7	Male
Marcos Arocha	0.8	Male

COMPONENT 2: MILESTONE 3 – Number of Workshops/Briefings/Training Sessions Held for Ministries

Names of workshops/briefings/training sessions	Did session cover regional or multilateral agreements	Number of participants by ministry and, number of participants by gender	Summary of workshop/briefing/training sessions	Results
Roundtable to discuss business and investment opportunities and climate in the Eastern Province	No	Central Government: 2 male Office of the President: 4 male MACO: 4 male Local Government and Housing: 4 male	Discussed business opportunities and constraints in the Eastern Province including modalities for more effective public-private partnership in attracting investment and creating a healthier business environment	Establishment of public-private business investment task forces, chaired by the private sector with senior government representation
Introducing the activities of the Zambia Business Forum to the President and his Cabinet	No	State House: 5 male MOFNP: 1 male MCTI: 1 male ZBF: 13 male 2 female	Providing an outline of the composition, purpose and activities of the Zambia Business Forum and seeking some structured dialogue mechanism with government	Zambia Business Forum was acknowledged as the avenue for dialogue with the private sector and has since been called upon at Presidential, ministerial, permanent secretary

				and Parliamentary levels for consultation and inputs.
Republican President and senior Government officials meeting with the Zambia Business Forum.	No	State House: 2 male MOFNP: 1 male MCTI: 1 male Ministry of Mines and Mineral Development (MMMD): 1 male ZBF: 11 male 2 female	Discussed the public-private sector consultative mechanism and cross-cutting macro-economic issues such as high inflation and interest rates, excessive Government spending and borrowing, the investment climate and taxes	The President committed to at least two structured meetings with the ZBF annually.
Consultative meeting involving the Head of State, Zambia International Business Advisory Committee and the Zambia Business Forum delegation	No	State House: 2 male MOFNP: 2 male Ministry of Home Affairs (MOHA): 1 male MACO: 1 male MCTI: 1 male MMMD:	Discussed the establishment of structured public/private sector consultation and agreed on mechanisms for future consultations and elaborated economic and business areas of mutual concern to the Government and the business community	Endorsed the establishment of structured public-private sector consultation, and agreed upon mechanisms for future consultations and six milestones for the next six months.

		1 male Ministry of Land and Natural Resources (MLNR): 1 female 1 male MTENR: 1 male Ministry of Works and Supply (MWS): 1 male Cabinet Office: 2 male 1 female National Economic Advisory Council (NEAC): 1 male BOZ: 1 male ZIC: 2 male ZRA: 1 male DBZ: 1 male ZIBAC:		
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		11 male ZBF: 15 male 1 female World Bank: 1 male DFID: 1 female		
Parliamentary Committee on Economic and Labour Affairs – Taxation	No	Parliament: 6 male 2 female ZBF: 2 male	Discussed ZBF proposals for short and long-term tax reform in Zambia	Committee accepted to take up the proposals with relevant authorities as well as table them in Parliament
Parliamentary Committee on Economic and Labour Affairs - - Export Processing Zones	No	Parliament: 6 male 2 female ZBF: 2 male	Discussed ZBF proposals for improved implementation of the Act on Export Processing Zones and the Export Processing Zones Authority	Committee undertook to review the proposals with relevant authorities before tabling them in Parliament.
Parliamentary Committee on Economic and Labour Affairs – Economic Diversification	No	Parliament: 4 male 1 female ZBF: 2 male	Discussed ZBF concerns regarding the National Economic Diversification Plan for the Copperbelt and Livingstone	Action involving consultations with concerned government agencies and tabling in Parliament would be taken
Ministry of Labour and Social Security (MOLSS) and delegation from the ZBF	No	MOLSS: 4 male ZBF: 2 male	Discussed proposed amendments to Labour Legislation	Government agreed to provide ZBF with all documentation related to the proposed

				amendments to Labour Legislation and requested for a ZBF written feedback. Generally, the meeting established a linkage between ZBF and MOLSS.
MOHA, ZBF Committee	No	MOHA: 2 male ZBF: 4 male	Reviewed implementation, difficulties following the introduction of new procedures regarding Work Permits and other Immigration Permits	Improved dissemination of the rationale and requirements for new permits were agreed to and ZBF would monitor progress.
INDABA Committee on Banking, Public and Development Finance	No	44 male 5 female	Discussed an agenda for improving the financial institutional framework and generally financial intermediation in the Zambia economy	Developed a reform agenda for the banking and development finance institutions. Macro-economic reform to achieve stability and economic viability was proposed.
Hon Chairpersons of Parliamentary Committees – proposed amendment of the <i>Investment Act</i>	No	27 male 1 female	Hon Chairpersons were consulted on proposals to amend the <i>Investment Act</i> .	Extremely useful insight and input in the proposal to amend the Act were received and agreed that wider consultations in the form of a two-day

				workshop should be organised in the latter half of January, 2004.
Safeguards legislation	Yes	MCTI: 3 female 8 male MOFNP: 1 female 1 male ZRA: 1 female 1 male	Training session for core investigative team on the nature and application of the safeguards measures and what will be expected of the core team	Completion of three week training courses
Safeguards debriefing sessions (approximately 20)	Yes	MCTI: 3 female 4 male MOFNP: 1 male ZRA: 1 female MOLA: 1 male	Obtaining background to initial Safeguards Acts and consideration of proposed amendments to both the <i>Control of Goods and Customs and Excise Acts</i> . Discussions on appropriate investigation mechanism and identification of core investigative team	Draft amendments and <i>Regulations</i> were completed and are ready for processing into an Amendment Bills for Parliament's consideration during its January sitting.
WTO Negotiations in Services – NWG and roundtable meetings	Yes	An assortment of Government Institutions: 13 male 2 female	Consultative forum for preparing a Zambian negotiating strategy on services	An assessment of telecommunications and financial services and initial recommendations on a way forward.
SADC Trade Protocol	Yes	MCTI:	Briefings on the agenda	On the job capacity

Negotiations and trade sector meetings (four meetings in total)		2 female 10 male ZRA: 2 female 1 male MOFNP: 3 male Ministry of Foreign Affairs (MOFA): 2 male	items and adoption of final positions	building
Preparation for COMESA Trade and Customs Committee Meeting	Yes	MCTI: 3 male 2 female MOFNP: 2 male ZRA: 1 female	Preparatory meeting for the trade and customs committee	National position for the meeting in addition to on the job training in negotiations.
COMESA common external tariff preparations (two meetings)	Yes	MCTI: 3 male 3 female MOFNP: 2 male ZRA: 1 female	Preparatory briefing session for the national consultative workshop with private sector	The workshop came up with recommendations on ways and means of improving future consultations in addition to providing guidance for a negotiating position.
COMESA Sub-Committee on an Eastern and Southern Africa (ESA) configuration –	Yes	MCTI: 3 female 1 male	Preparatory meetings for COMESA sub committee meeting	Position on ESA negotiating issues with EU

discussion on negotiating guidelines (two meetings)				
WTO Cancun Ministerial Meetings	Yes	Various government institutions	Briefings and preparatory workshop for Cancun Meeting	A national negotiating position.
Zambia/Mozambique proposed Bilateral Trade Agreement	Yes	MCTI: 2 male 1 female	Consultations on the technical input provided by ZAMTIE on the proposed bilateral trade agreement received from Mozambique.	Awaiting setting of date for meeting
Zambia Democratic Republic of Congo proposed Bilateral Trade Agreement	Yes	MCTI: 3 male 1 female	Briefing on ways and means of speeding up the process in order to conclude the negotiations on the Zambia/DRC Trade Agreement.	Foreign Affairs requested to use diplomatic channels to encourage the DRC to set a date for the negotiations to continue.

COMPONENT 2: MILESTONE 4 –Number of Officials at MCTI Trained in Regional and Multilateral Agreements

Names of workshops/briefings /training sessions	Did session cover regional or multilateral agreements	Name of participating ministries	Number of participants by ministry and, number of participants by gender	Number of women attending	Results
Information the same as that in Milestone 3					

COMPONENT 2: MILESTONE 5 – Average Number of Officials from Other Key Ministries Aware and Informed of the Implications of Regional and Multilateral Trade Agreements

Names of workshops/briefings/training sessions	Did session cover regional or multilateral agreements	Name of participating ministries	Number of participants by ministry and, number of participants by gender	Summary of workshops/briefing/ Training sessions	Results
Information the same as that contained in Milestone 3					

COMPONENT 2: MILESTONE 6 – Average Percentage of Officials Trained at All Ministries Who Are Women

Names of workshops /briefings/training sessions	Did session cover regional or multilateral agreements	Name of participating ministries	Number of participants by ministry and, number of participants by gender	Summary of workshops/briefing/ Training sessions	Results
Information the same as that contained in milestone 3					

COMPONENT 2: MILESTONE 7 – Number of Private Sector Led Workshops

Name of location of workshop	Number of participants by gender	Summary of workshop conducted	Results
Private sector capacity building for the agricultural sector -- Chipata	20 male 1 female	Development of the agricultural component of the public-private dialogue framework under the EU-Zambia CSP 2001-2007	Sectoral report and selection of champions to represent sector in cross-sectoral framework development
Private sector capacity building for the gemstone mining and development sector – Kitwe	20 male 9 female	Discussion on the minerals and mineral development component of the public/private dialogue framework under the EU-Zambia CSP 2001-2007	Sectoral report and selection of champions to represent sector in cross-sectoral framework development
Private sector capacity building for the tourism sector – Livingstone		Discussion on the tourism component of the public-private dialogue framework under the EU-Zambia CSP 2001-2007	Sectoral report and selection of champions to represent sector in cross-sectoral framework development
Private sector capacity building for the manufacturing sector – Kabwe	18 male 1 female	Discussion on the manufacturing, trade and commerce component of the public-private dialogue framework under the EU-Zambia CSP 2001-2007	Sectoral report and selection of champions to represent sector in cross-sectoral framework development
Private sector capacity building -- sectoral champions from four	11 male 7 female	Discussion on the overall draft for private sector input to the development of the	Draft framework and vision for public-private partnership in Zambia and input into EU-

previous consultative workshops – Lusaka		framework by consolidating sectoral reports	Zambia CSP. Establishment of an eight person Steering Committee and “Secretariat” to consolidate and continue advocating the private sector view.
Extension of AGOA fabric import rule for LDCs -- Ndola	13 male	Discuss Zambia’s position on the extension of the rule on fabric imports from non-AGOA countries.	Agreed that Zambia should take a position on the extension that the extension should be phased with immediate – starting in September 2004 -- necessity of import of some percentage of fabric from AGOA countries..
EPCCI roundtable to explore how to build the capacity of EPCCI to provide AIDS/HIV policy support and programs to member businesses – Chipata	10 male	The Eastern Province lacks a program designed to assist businesses develop and manage HIV/AIDS programs and policies in their places of work.	ZAMTIE and ZHECT will design a pilot program in Chipata on AIDS for selected member businesses of EPCCI.

COMPONENT 2: MILESTONE 8 – Number of Private-Sector Leaders Attending Private Sector Led Workshops

Name of location of workshop	Number of participants by gender	Summary of workshop conducted	Results
Information for this table is			

same as that for the Component 2 Milestone 7 Table			
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COMPONENT 2: MILESTONE 9 – Percentage of the Private Sector Leaders Attending Workshops Who Are from Provinces Other than Lusaka

Name of location of workshop	Number of participants by gender	Summary of workshop conducted	Results
Information for this table is the same as for Component 2: Milestone 7 Table			

COMPONENT 2: MILESTONE 10 – Percentage of Private Sector Leaders Attending Workshops Who Are Women

Name of location of workshop	Number of participants by gender	Summary of workshop conducted	Results
Information for this table is the same as for the Component 2: Milestone 7 Table			

COMPONENT 2: MILESTONE 11 – Percentage of Private Sector Leaders Attending Workshops Held Outside of Lusaka Who Are Women

Name of location of workshop	Number of participants by gender	Summary of workshop conducted	Results
Information for this table is the same as for the Component 2: Milestone 7 Table			

COMPONENT 2: MILESTONE 12 – Number of NBCAs, PBAs/Local Chambers, and Private Sector Support Institutions Benchmarked

Name of organization benchmarked	Results
Mumbwa DBA	Report submitted to ZCSMBA
Petauke DBA	Report submitted to ZCSMBA
Solwezi DBA	Report submitted to ZCSMBA
Ndola DBA	Report submitted to ZCSMBA
Livingstone DBA	Report submitted to ZCSMBA
Zambia Business Forum	Capacity needs submitted to Donor community

COMPONENT 2: MILESTONE 13 – Number of NBCAs/PBAs/Local Chambers, and Private Sector Support Institutions Benefiting from an Institutional Strengthening Program

Name of organization strengthened	Description of institution strengthening program	Results
Kitwe DBA	Computer equipment and Internet training	Equipment installed and two leaders trained in a one-week Internet course
EPCCI	Development of an HIV/AIDS program for the business community and a capacity building program to enable EPCCI carry out its tasks	HIV/AIDS pilot program to be designed following roundtable in EP. ZAMTIE and ZHECT to submit to USAID for funding. Consultant to be identified to come and conduct capacity building activities.
Zambia Business Forum	Provision of technical and financial support to the operations of the secretariat and provision of services to members, hiring consultants for studies and so forth. Also support in identifying strategic donor partners for the Forum.	Various studies, reports, workshops and roundtables conducted for or held by the Zambia Business Forum. In addition to ZAMTIE support, donors have now pledged US\$499,999 to support ZBF operations.

COMPONENT 2: MILESTONE 14 – Number of NBCAs/PBAs Benefiting from Computer and Equipment on Cost-Sharing Basis

Name of chamber or association	Description of computer or equipment provided	Nature of cost-sharing
Kitwe DBA	Computer, printer/scanner/photocopier in one, computer modem for	The DBA paid for insurance and pays for internet service after the first year.

	connecting to the internet, internet service and soft ware	
EPCCI	Designing and hosting website	EPCCI provides some of the research material, pays for the monthly updates and members pay for any advertising/hosting of business information on the site.

COMPONENT 2: MILESTONE 15 – Number of NBCAs/PBAs Benefiting from Training Exercises (aside from trade)

Name of and location of chamber or association benefiting from training exercise (aside from trade)	Description of training	Number trained		From Lusaka	From outside Lusaka	Total
		Women	Men			
ZNFU - Lusaka	Understanding of how South Africa developed its Bt cotton trials and growing approved		1	1		1
Kitwe DBA - Kitwe	Internet training and e-commerce introduction	2	-	-	2	2
ZACCI - Copperbelt	Attachment training of a newly employed Executive Assistant to the ZACCI Lusaka Office to understand the operations of ZACCI	1	-	-	1	1
ZBF members	Techniques in representation and	1	9	7	2	10

	intermediation					
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COMPONENT 2: MILESTONE 16 – Give Number of Private Sector Leaders Trained (aside from trade)

Name of and location of chamber or association benefiting from training exercise (aside from trade)	Description of training	Number trained		From Lusaka	From outside Lusaka	Total
		Women	Men			
Information for table is same as for the Component 2: Milestone 15 Table						

COMPONENT 2: MILESTONE 17 –Percentage of Private Sector Leaders, Who Are Trained in Subjects Other than Trade, Who Are from Outside of Lusaka

Name of and location of chamber or association benefiting from training exercise (aside from trade)	Description of training	Number trained		From Lusaka	From outside Lusaka	Total
		Women	Men			
Information for table is same as for the						

Component 2: Milestone 15 Table						
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COMPONENT 2: MILESTONE 18 – Percentage of Private Sector Leaders Trained Who Are Women

Name of and location of chamber or association benefiting from training exercise (aside from trade)	Description of training	Number trained		From Lusaka	From outside Lusaka	Total
		Women	Men			
Information for table is same as for the Component 2: Milestone 15 Table						

COMPONENT 2: MILESTONE 19 –Percentage of Private Leaders Trained Outside of Lusaka Who Are Women

Name of and location of chamber or association benefiting from training exercise (aside from trade)	Description of training	Number trained		From Lusaka	From outside Lusaka	Total
		Women	Men			
Information for table is same as for the Component 2: Milestone 15						

Table						
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FOSTERING LINKAGES

Component 3: MILESTONE 1 – Percentage in Number of Visitors to EBZ Reference Centre, from base Year (2001)

Number of visitors to EBZ reference centres in 2001	Comments
	There has been no demand for support to the EBZ reference centre

COMPONENT 3: MILESTONE 2 – Percentage Growth in Number of Active Members above Base Year (2001) in Targeted PBA/Local Chambers

Name of association	Number of Members		Total	Visitors to associations reference library in 2001
	Women	Men		
None of the regional or local business associations or chambers have reference libraries therefore this milestone is not applicable				

COMPONENT 3: MILESTONE 3 – Percentage Growth in Active Members in Targeted DBA/Local Chambers Who Are Women

Name of association	Number of members		Total	Visitors to associations reference library in 2001
	Women	Men		
As there are no reference libraries, this milestone is not applicable				

COMPONENT 3: MILESTONE 4 – Number of Policy Issues Originating from Districts Outside of Lusaka

Description of policy issue	Origination of policy issue		Comments
	Organization	Location	
Need for SADC to allocate and increased quota for textiles, clothing and yarn	TPA	Ndola	Agreement was reached at a November 2003 Trade Ministers Meeting in Blantyre which, after meeting certain conditions, could yield over US\$ 5 million in additional trade. ZAMTIE supported MCTI in developing its position and helped it make the case in Blantyre.
An extension beyond September 2004 of the AGOA rule permitting	TPA	Ndola	Zambia has adopted a phased approach to the extension, one of the options proposed in a ZAMTIE study. ZAMTIE has arranged time for

LDC's to import fabric for garment production from non-AGOA non-US sources			Zambia during the Ministerial Forum and the private sector workshops at the AGOA Forum III to make presentations on the extension issue.
Levies placed by District Councils on the movement of commodities into and out of their jurisdictions are having a negative effect on trade.	ZNFU and ZAM	Most districts	ZAMTIE has conducted a desk study of practice in other countries and is now finishing a study of the impact of the use of levies in Zambia.

COMPONENT 3: MILESTONE 5 – Number of Reference Libraries in PBAs Receiving Assistance

Name of association business library receiving assistance	Description of assistance	Comments
As there are no reference libraries in PBAs, this milestone is not applicable		

COMPONENT 3: MILESTONE 6 – Percentage Growth in Number of Visitors above Base Year (2001) in Targeted PBA/Local Chamber Reference Libraries

Name of association	Number of members		Total	Visitors to associations reference library in 2001
	Female	Male		

As there are no reference libraries, this is not applicable				
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COMPONENT 3: MILESTONE 7 – Give Number of Hits to the ZAMTIE Website

Number of hits to ZAMTIE website
2,258 during year

COMPONENT 3: MILESTONE 8 – Number of In-Country Fairs in which ZAMTIE Participates

Name of fair	Number of companies benefiting from ZAMTIE participation	Number of women who visited ZAMTIE site
2002 Zambia International Trade Fair – assisted with its website		Unable to determine from website “hits” the number who were women

COMPONENT 3: MILESTONE 9 – Number of Companies Benefited by ZAMTIE Participation in In-Country Fairs

Name of fair	Number of companies benefiting from ZAMTIE participation	Number of women who visited ZAMTIE site
Information for table same as information in the		

Component 3: Milestone 8 Table		
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COMPONENT 3: MILESTONE 10 – Percentage of Beneficiaries of In-Country Fairs Who Are Women

Name of fair	Number of companies benefiting from ZAMTIE participation	Number of women who visited ZAMTIE site
Information for table same as information in the Component 3: Milestone 8 Table		

COMPONENT 3: MILESTONE 11 – Number of Trade Missions to Third Countries

Name of trade mission	Description	Number of participants		Total
		Women	Men	
AGPA Forum II	ZAMTIE assisted the Government and private sector in organizing for the	6	19	25

	participation of a Zambian delegation at the Second AGOA Forum held in Mauritius. In addition, ZAMTIE supported two private sector participants to exhibit Zambian horticulture products and to make representations with the US Government representatives with regard to the need for PRAs to be conducted for Zambian produce.			
Nacala Corridor	ZAMTIE assisted the Ministry of Communications and Transport in organising the Zambian delegation to the Nacala Corridor Investors Conference in Nacala, Mozambique.			
Congo Trade Mission	At the request of EBZ, ZAMTIE provided assistance to a trade mission of Copperbelt DBAs to Kipushi and Lubumbashi, in the Congo, being organized	3	20	23

	by the USAID project, Copperlink.			
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COMPONENT 3: MILESTONE 12 –Number of Third-Country Observation Tours

Name of third-country observation tour	Description of tour including any strategic partnerships developed	Number of participants		Total
		Women	Men	
Mozambique observation tour	ZAMTIE supported the EPCCI in sending a delegation to Tete Province in Mozambique to observe businesses and business opportunities in Tete.	1	5	6
ZNFU tour in South Africa to study introduction of Bt cotton in that country	To prepare for a larger survey of steps South Africa went through in introducing Bt cotton in that country, ZAMTIE sponsored a ZNFU representative to conduct a preliminary assessment of organizations and places which should be visited to provide Zambians the required information.	0	1	1

Castor oil processing technologies tour in India	ZAMTIE provided support to a Zambian entrepreneur, involved in the castor oil business, to tour and examine castor oil processing technologies in India.	0	1	1
US crafts and art exhibition	At the request of the Zambian Ambassador to the United States, ZAMTIE supported two women entrepreneurs in the areas of crafts and African clothing to attend the SADC Arts, Crafts and Cultural Products Exhibition held in the USA. This was followed by an exhibition of the entrepreneurs products at the Zambian Embassy's Displays, Crafts Exhibition and Fashion Show held as part of the Zambian Independence Day Reception.	2	0	2
Conference and Exposition on Agriculture Science and Technology	The project supported the Zambian Minister for Science, Technology and Vocational Education to attend and exposition of agricultural science and technology in Sacramento, California.	0	1	1

COMPONENT 3: MILESTONE 13 – Number of Participants in Third-Country Observation Tours

Name of third-country observation tour	Description of tour including any strategic partnerships developed	Number of participants		Total
		Women	Men	
Information same as for the Component 3: Milestone 12 Table				

COMPONENT 3: MILESTONE 14 – Percentage of Participants in Third-Country Observation Tours Who Are Women

Name of third-country observation	Description of tour including any strategic partnerships developed	Number of participants		Total
		Women	Men	
Information same as for the Component 3:				

Milestone 12 Table				
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COMPONENT 3: MILESTONE 15 – Inter-Country Visits by Regional Investors, Traders, or Business People

Name of In-country tour	Description of tour including any strategic partnerships developed	Number of participants		Total
		Women	Men	
PDCU to Chimsoro Farm	A team from PDCU management took a study tour of Chimsoro Farm to see the operation of one of the country's largest farms. This could develop into a strategic partnership.	3	10	13
PDCU to Mpongwe Development Company	A team from PDCU management took a study tour of Mpongwe Development Company, a large corporate farming venture. This could develop into a strategic partnership.	3	10	13

COMPONENT 3: MILESTONE 16 – Give Number of Strategic Partnerships Developed Directly As a Result of In-Country, and Third-Country Observation Tours Facilitated

Name of third – country observation tour	Description of tour including any strategic partnerships developed	Number of participants		Total
		Women	Men	
PDCU's visit to Chimsoro Farm	See Component 3: Milestone 15. PDCU management has invited owner of Chimsoro Farm to visit the proposed PDCU venture and consider becoming a joint venture partner.	3	10	13
PDCU's visit to Mpongwe Development Company	See Component 3: Milestone 15. PDCU management has invited the management of Mpongwe to visit the proposed PDCU venture and consider becoming a joint venture partner.	3	10	13

ATTACHMENT 3

ZAMTIE's Cooperation with Other USAID Projects

During the course of the year, ZAMTIE has had the opportunity to work with or otherwise involve other USAID projects in ZAMTIE activities. The following table lists a number of these.

ZAMTIE Activity	Other USAID Project Involved
Facilitating agri-produce through the USDA entry procedures	ZATAC, LINKS, RAPID, APHIS
AGOA Forum II	Corporate Council for Africa (CCA)
Documentation and marketing for Category 9 products	RAPID
Creating biotechnology awareness	Biotechnology Outreach Society of Zambia (BOSZ) and USAID's SEGA/MESP Project in South Africa
Business Plan for Eastern Province	CLUSA (NRM) and ZATAC
HIV/AIDS Plan for EPCCI	ZIHP and ZHECT
Provision of ICT for Kitwe DBA	Leland Initiative
DRC trade mission	Copperlink and ZACSMAB
Building capacity for the Technical Subcommittee of the National Export Crops Committee	(SAGC) Hub
Assessment of DBA best practices	ZCSMBA